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Marks of Mayhem & Murder: When a Few Bad "Mongols" Spoil the Bunch, Should the Government Seize a Motorcycle Association's Registered Trademark?

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MARKS OF MAYHEM & MURDER: WHEN A FEW BAD “MONGOLS” SPOIL THE BUNCH, SHOULD THE GOVERNMENT SEIZE A MOTORCYCLE ASSOCIATION’S REGISTERED TRADEMARK?

TRACY REILLY†

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† Associate Professor of Law, University of Dayton School of Law, Program in Law & Technology. I dedicate this article to my father Robert G. Reilly, retired Chicago Police Captain and former head of Gang Crimes Unit-South, and to all law enforcement officers who risk their lives to solve crimes committed by violent gangs. Special thanks to my husband, Mark Budka, for his constant support. I am grateful for the research assistance provided by the University of Dayton School of Law and the personal efforts of my research assistant, Andrew Jack. I would also like to acknowledge Cheryl Meier, Kelly Henrici, and Julie Zink for their insightful comments.

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I. INTRODUCTION

In October 2008, over sixty members of the Mongols Motorcycle Club (the “Mongols”), an organized membership of motorcycle riding enthusiasts, and their leader, Ruben “Doc” Cavazos, were arrested in connection with a federal racketeering indictment, which alleged that seventy-nine members of the group were involved in eighty-six felony counts ranging from drug trafficking to murder.¹ On June 29, 2009, Cavazos pleaded guilty to several of the racketeering counts that may send him to prison for twenty years.² By pleading guilty to charges under the federal Racketeer Influenced and Corrupt Organizations Act³ (“RICO”), Cavazos allegedly agreed to surrender to the government trademarks owned by the Mongols club as part of his sentencing deal.⁴ But will the government be benefited and the victims of the Mongols’ crimes vindicated by such a surrender, as it seems to be an inappropriate remedy to apply against the motorcycle club despite the illegal behavior of a few of its members? Or will the seizure lead to more legal problems than the government action is worth, opening up a host of issues under federal trademark laws, RICO, and the U.S. Constitution’s First Amendment principles?

Cavazos’ plea stems from what many legal scholars and other commentators have deemed an unprecedented ruling in which Judge Florence-Marie Cooper of the U.S. District Court for the Central District of California ordered that the MONGOLS trademark registered in the United States Patent & Trademark Office (“PTO”) would be subject to forfeiture to the United States.⁵ In effect, upon presentation of the court’s order by law enforcement officers, defendants and all their agents, servants, employees,

¹ See Abigail Goldman, *Violent Biker Gang Stripped of Emblem*, LAS VEGAS SUN, Oct. 24, 2008, available at <http://www.lasvegassun.com/news/2008/oct/24/violent-biker-gang-stripped-emblem/> (noting that the arrested Mongols were from seven different American states). On October 9, 2008, a multi-count and multi-defendant indictment was returned in the criminal case, *U.S. v. Cavazos*, No. 2:08-cr-1201 (C.D. Cal. 2008) (ordering an indictment).

² Carol J. Williams, *Mongols Ex-Leader Pleads Guilty to Racketeering, Faces 20 Years in Prison*, L.A. TIMES, July 7, 2009, available at <http://latimesblogs.latimes.com/lanow/2009/07/mongols-exleader-pleads-guilty-to-racketeering-faces-20-years.html>. As of August 12, 2009, twenty-five plea agreements have been filed with the Cavazos court. Six of these have remained under seal, including Reuben Cavazos’ agreement, despite The Associated Press’ recent unsuccessful motion petitioning the court to unseal all plea agreements related to the case. See Greg Risling, *LA Judge Denies AP Motion in Mongol Biker Case*, SAN. FRAN. CHRONICLE, Aug. 12, 2009, available at <http://www.sfgate.com/cgi-bin/article.cgi?f=n/a/2009/08/12/state/n123626D49.DTL&type=business>.

³ 18 U.S.C. § 1963 (2006).

⁴ Williams, *supra* note 2.

⁵ *Cavazos*, No. 2:08-cr-1201, at 2.

family members, and other persons in active participation with them, must surrender “all products, clothing, vehicles, motorcycles, books, posters, merchandise, stationery, or other materials bearing the Mongols trademark.”⁶

Lead U.S. Attorney Thomas P. O’Brien claims that if the government’s plan is ultimately successful, the United States would assume legal ownership of the MONGOLS trademark, and anyone caught displaying MONGOLS on any item of merchandise could have such item seized on the spot by law enforcement officers.⁷ O’Brien and other federal officials associated with the case have characterized the court’s decision as a significant victory for the government in penetrating a violent and criminal organization and, effectively, “going after their very identity.”⁸ Legal practitioners and academicians, however, are questioning whether the court order will stand, maintaining that the injunction amounts to an unconstitutional government action that unduly restricts the First Amendment and trademark rights of the owner of a legally registered mark, as well as the rights of its individual members.⁹ In fact, the same judge who ruled in the *Cavazos* case recently entered an order on July 31, 2009, in a separate case on a related issue, appearing to question the validity of her previous order in *Cavazos* regarding the seizure of the MONGOLS mark.¹⁰

This ongoing saga, in which trademark law butts heads with RICO and the First Amendment, presents an interesting myriad of issues that continue to challenge the U.S. Attorneys who prosecute outlaw motorcycle gang members under RICO and the courts that are attempting to reconcile these novel issues. Analyzing the *Cavazos* case and other similar cases demonstrates a gap in trademark law as it relates to the disposition of trademarks as a type of property that can be forfeited to the government pursuant to indictments under RICO.

Because the revenue and value generated by companies in association with their trademarks and other intellectual property account for a large part of the U.S. economy, “protecting the rights of intellectual property owners is . . . a critical task of the federal government.”¹¹ While the federal, state,

⁶ *Id.* at 3.

⁷ See Scott Glover, *U.S. Targets Bikers' Identity*, L.A. TIMES, Oct. 22, 2008, at A15, available at <http://articles.latimes.com/2008/oct/22/local/me-mongols22>.

⁸ *Id.*

⁹ Greg Risling, *Judge Bans Mongols From Wearing Trademark Logo*, USA TODAY, Oct. 23, 2008, available at http://www.usatoday.com/news/nation/2008-10-23-2051541368_x.htm.

¹⁰ See *infra* text accompanying note 248.

¹¹ Min Ae Yu, Ryan Lehrer & Whitney Roland, *Intellectual Property Crimes*, 45 AM. CRIM. L. REV. 665, 666 (2008).

and local legislatures in the U.S. have enacted criminal statutes to protect intellectual property used illegally by third-party non-owners—such as the Trademark Counterfeiting Act of 1984¹²—such laws did not contemplate the need to provide the government with authority to seize an asset of intellectual property used by its rightful *owner* in connection with ongoing criminal activities.¹³ Although Section 1963(a)-(b) of RICO specifically permits the seizure of both real and intangible property owned by defendants who are convicted of criminal racketeering crimes under the Act,¹⁴ neither RICO nor the Lanham Act,¹⁵ governing trademark ownership, contain specific guidelines on how to deal with the attendant consequences when such seizures involve trademarks.

This Article will first argue that, while the seizure and forfeiture of property provisions set forth in RICO and other federal laws have withstood First Amendment and other constitutional challenges, the recent injunction against the Mongols that allows police seizure of patches and other memorabilia displaying the MONGOLS trademark is overbroad and constitutes an overzealous reach into the private identities of Mongols' members and other individuals who have not been convicted, or even accused of engaging in, illegal behavior. Second, after analyzing the purpose and intent of RICO in conjunction with the Lanham Act, which affords federal protection to trademarks, this Article will assert that government seizure and control of the MONGOLS trademark will extinguish the identifying power of the mark and lead to confusion in the marketplace and, potentially, aid in the perpetuation of future crimes against innocent individuals. In recognition of the public policy issues behind the issuance of the injunction, namely to punish the individuals engaged in illegal acts and to shut down the organization found guilty of racketeering activities by seizing assets used in the furtherance of such crimes, this Article will propose a novel solution that will balance these law enforcement objectives with preserving the First Amendment rights of innocent members of outlaw motorcycle gangs as well as those of the general public.

Part I of this Article will provide an overview of the history of organized motorcycle clubs in the United States and abroad, explaining the radical difference between membership in reputable and upstanding biker

¹² 18 U.S.C. § 2320 (1984) (criminalizing the intentional unauthorized trafficking of counterfeit goods and services by a third party who does not own the mark in question).

¹³ See Yu, *supra* note 11, at 667-83. The Joint Anti-Piracy Initiative and Operation Site Down are additional recent global campaigns enacted against organized piracy. *Id.*

¹⁴ 18 U.S.C. § 1963 (2006).

¹⁵ 15 U.S.C. § 1051 (2002) (governing trademark ownership).

associations and membership in non-law-abiding, or “outlaw” motorcycle clubs, such as the Mongols. This will include a description of the registered trademarks owned by such outlaw clubs, their merchandising efforts associated with such marks, and the illegal acts performed by these clubs under the monikers of the marks. Part II will describe how trademarks of outlaw motorcycle gangs receive protection under the Lanham Act, which provides many benefits to these gangs and their members who use the marks in connection with illegal acts. It will also show that, despite various prohibitions against trademarks that consist of scandalous, immoral, and disparaging material pursuant to Section 2(a) of the Lanham Act, registration of marks such as the MONGOLS mark which, on their face do not convey such offensive material, are indeed allowed registration.

The third part of this Article will outline the various efforts of law enforcement officers to combat crimes committed by members of outlaw motorcycle gangs, including prosecutions under RICO and other federal and state laws. Specifically, Part III will provide a detailed description of recent government seizures of real property owned by the Mongols and other outlaw motorcycle gangs, as well as the various constitutional challenges to RICO seizure laws that have been overcome in light of the public policy behind seizing assets of those engaged in illegal behavior.

Part IV will show why, when viewing the policy behind both RICO and the Lanham Act in the context of First Amendment principles, the *Cavazos* injunction is, in part, an improper seizure of individuals’ trademark and constitutional rights. Part V will then argue that, even if it is determined that the government has direct authority from RICO to seize intellectual property assets from enterprises whose members have committed racketeering crimes, the particular seizure of the MONGOLS registered mark will not further the intent of the Act and will, instead, lead to more confusion in the marketplace in contravention with the underlying principles of the Lanham Act.

Finally, this Article will conclude in Part VI by offering a solution for future prosecutors and courts to use in order to tailor more narrowly the scope of injunctions against racketeering defendants and the seizure of trademarks owned by their criminal enterprises that better effectuate both the letter and spirit of RICO and the Lanham Act. It will also propose an amendment to Section 2 of the Lanham Act codifying the procedures that should be taken by the PTO with respect to cancellation of a mark that is being used in the furtherance of crime by defendants convicted of racketeering activities under RICO.

II. THE HISTORY OF ORGANIZED MOTORCYCLE CLUBS

Organized motorcycle clubs originated on the West Coast after the end of World War II when thousands of United States veterans returned home to their former lives and jobs, and sought the same excitement and male camaraderie that they had experienced overseas in battle.¹⁶ The early motorcycle clubs of the 1950s consisted of loosely knit “gangs of ten to thirty young men on powerful machines who roamed the highways in search of adventure.”¹⁷ Since the 1950s, motorcycle club membership has increased significantly and it is not limited to the United States.¹⁸

A. *The American Motorcycle Association and Legal Biker Clubs*

The American Motorcycle Association (“AMA”) is the official governing body for the legal sport of motorcycling in the United States; the AMA is affiliated with the Fédération Internationale Motorcycliste, the international coordinating body for motorcycling located in Paris.¹⁹ A motorcycle club who registers with the AMA or other worldwide parent bodies, such as the Canadian Motorcycle Association, becomes aligned with the legal and judicial elements of the parent body, allowing the club and its members to register with the local, state, or provincial authorities and to participate in sanctioned motorcycle events—mainly racing competitions.²⁰ Since 1924, the AMA has protected fans of motorcycling and promoted the “motorcycle lifestyle” by regularly advocating for the legal interests of motorcyclists in local, state, and the federal government, as well as the committees of international governing organizations.²¹

¹⁶ See PALADIN PRESS, *AN INSIDE LOOK AT OUTLAW MOTORCYCLE GANGS* 3 (1992).

¹⁷ *Id.* (describing how early west coast motorcycle clubs such as the “Pissed Off Bastards of Bloomington” and the “Market Street Commandos” officially sponsored drag races in the streets and fist fights that caught the attention of law enforcement officials). The Harley Davidson® brand motorcycle has traditionally been the brand of choice for Hells Angels and other motorcycle gangs. See Mel Raskinski, *Harley Davidson and the Hells Angels: A Tangled History*, available at <http://ezinearticles.com/?Harley-Davidson-and-the-Hells-Angels---A-Tangled-History&id=805776> (last visited on June 4, 2009).

¹⁸ See ARTHUR VENO, *THE BROTHERHOODS: INSIDE THE OUTLAW MOTORCYCLE CLUBS* (2d ed. 2003) (providing an interesting history of the “bikie” culture of Australia, including the controversial “Gypsy Jokers” club).

¹⁹ See DANIEL R. WOLF, *THE REBELS: A BROTHERHOOD OF OUTLAW BIKERS* 4 (2000).

²⁰ *Id.* For example, the AMA sponsors the “Supercross,” an off-road motorcycle racing event held at Angel Stadium in Anaheim, California. See Jim Pelz, *James Stewart Wins AMA Supercross Event in Anaheim*, L.A. TIMES, Jan. 18, 2009, available at <http://articles.latimes.com/2009/jan/18/sports/sp-motors18>.

²¹ See American Motorcyclists Association, *About the AMA*, available at <http://www.amadirectlink.com/whatis/index.asp> (last visited June 4, 2009) (claiming that the AMA is the world's largest motorcycling organization with approximately 300,000

B. *Outlaw Motorcycle Gangs: The "One Percent" Subculture*

A significant majority of the motorcyclists in organized, AMA-sponsored clubs are "harmless weekend types" who consider biking as a recreational and entertaining hobby and are "no more dangerous than skiers or skin divers."²² But a few belong to what are referred to as outlaw motorcycle gangs ("OMGs"), or the non-law abiding and downright violent members who are "tough, mean and potentially as dangerous as a pack of wild boar."²³ OMGs received national press in 1947 when an infamous disturbance at a biker rally in Hollister, California "solidified the outlaw image of motorcycles."²⁴ These troublemakers became known as "one percenters" or "the one percent of the American motorcycle riding public that is criminal" as heralded by the AMA.²⁵

The four major OMGs in the United States are the Pagans from the

members).

²² Hunter S. Thompson, *The Motorcycle Gangs: Losers and Outsiders*, THE NATION, May 17, 1965, at 522, available at <http://www.thenation.com/doc/19650517/thompson>. Many full-patch Hells Angels members are not "stereotypical greasy bikers," but are employed in professions such as airline pilots, stockbrokers, and are reputable and successful business owners. See JULIAN SHER & WILLIAM MARSDEN, *ANGELS OF DEATH: INSIDE THE BIKER GANG'S CRIME EMPIRE* 153 (2006). In fact, Jesse Ventura, former governor of Minnesota, was a Mongols member who was known in the club as "Superman." See RUBEN "DOC" CAVAZOS, *HONOR FEW, FEAR NONE: THE LIFE & TIMES OF A MONGOL 75* (2008).

²³ See Thompson, *supra* note 22, at 522 (maintaining that anyone who has negatively encountered a member of an OMG will sadly testify that the chances of emerging non-maimed is highly unlikely).

²⁴ See Phil Patton, *Looking into Harley's Heart of Darkness*, N.Y. TIMES, Apr. 8, 2008, § 12 at 1, 12 available at <http://www.nytimes.com/2008/04/20/automobiles/20HARLEY.html>. The infamous Hollister, California event occurred when approximately 500 bikers not officially affiliated with the AMA disrupted an AMA-sponsored event by drinking and racing in the streets of Hollister. The unruly behavior, which consisted of non-member bikers running red lights, smashing bottles in the streets, running their motorcycles into restaurants and bars, and indecent exposure, lasted for approximately thirty-six hours. Unfortunately for the majority of law-abiding bikers attending the event, and in the years thereafter, the Hollister incident resulted in "the stigmatization of an image: the motorcyclist as deviant." See WOLF, *supra* note 19, at 5. Even Hollywood has contributed to the lore and public fascination with the OMGs since the Hollister event, as witnessed by the production of dozens of "biker" films from the 1950s to the 1970s, including *THE WILD ONE* (Columbia Pictures 1953) starring Marlon Brando and *THE WILD ANGELS* (American International Pictures 1966) starring Peter Fonda. See RANDALL CLARK, *AT A THEATER OR DRIVE-IN NEAR YOU: THE HISTORY, CULTURE, AND POLITICS OF THE AMERICAN EXPLOITATION FILM* 115 (1995). A high-ranking leader of the Hells Angels even became a paid advisor for film companies that were making movies about outlaw bikers in the 1960s and had a role with Jack Nicholson in the 1967 movie, *HELLS ANGELS ON WHEELS* (Image Entertainment 1967). See also BILL VALENTINE, *GANG INTELLIGENCE MANUAL: IDENTIFYING AND UNDERSTANDING MODERN-DAY VIOLENT GANGS IN THE UNITED STATES* 148-49 (1995).

²⁵ See JAY DOBYNS & NILS JOHNSON-SHELTON, *NO ANGEL: MY HARROWING UNDERCOVER JOURNEY TO THE INNER CIRCLE OF THE HELLS ANGELS* 21 (2009).

East, the Outlaws from the Midwest, the Bandidos from Texas, and the Hells Angels from around the entire country.²⁶ The most well known and best organized biker club is undoubtedly the Hells Angels, due in large part to the longtime leadership of Sonny Barger, who created and branded an international corporation of biker enthusiasts.²⁷ The Hells Angels and other OMGs vehemently deny allegations that they are violent outlaws, and consider themselves “as nothing less than frontier heroes” who express an aspect of individuality and freedom from convention largely abandoned by the rest of society; nonetheless they appear to have publicly embraced the “one percenter” moniker adopted by the AMA in order to define the radical ideologies of their clubs by openly brandishing “1%” badges and even tattooing the “1%” mark on their shoulders.²⁸

While the Hells Angels dominate the biker scene on a worldwide level, they are actually outnumbered on their home turf in Southern California by two rival groups, the Vagos and the Mongols.²⁹ The United States Department of Justice (“DOJ”) claims that the Mongols club is “an extremely violent OMG that poses a serious criminal threat to the Pacific and Southwestern regions of the U.S.”³⁰ In fact, agents of the Bureau of Alcohol, Tobacco, Firearms and Explosives (“ATF”) have named the Mongols the most violent and dangerous OMG in the nation.³¹ In the 1980s, the Mongols seized control of the Southern California biker territory from the Hells Angels, and are currently allied with the Bandidos, the

²⁶ *Id.*

²⁷ See SHER & MARSDEN, *supra* note 22, at 4-5 (asserting that the Hells Angels are internationally the most dominant criminal biker club, “with an estimated twenty-five hundred members in twenty-three American states and in twenty-five countries on five continents.”).

²⁸ See WOLF, *supra* note 19, at 5-9 (claiming these acts offer proof that OMG members “make a very personal and uncompromising statement on where they stand on the issue of being an outlaw.”). Though the Hells Angels have attempted to clean up their reputation in recent years by sponsoring “toys-for-tots” motorcycle runs and other benign campaigns, the most recent federal indictment of the organization nonetheless describes it as one that “rules by fear and intimidation.” See Carol Pogash, *Two Officers Posed as Hells Angels in Probe*, L.A. TIMES, Dec. 5, 2003, available at <http://articles.latimes.com/2003/dec/05/local/me-hells5>.

²⁹ See SHER & MARSDEN, *supra* note 22, at 23. The Mongols dominate Los Angeles and the surrounding area with approximately 400 members. From their inception, they have actively recruited young, mostly Hispanic, street gang members from hip-hop dance parties and dance clubs—places where traditional bikers previously did not frequent. *Id.*

³⁰ See *Motorcycle Gangs*, available at <http://www.justice.gov/criminal/gangunit/gangs/motorcycle.html> (last visited December 12, 2009) [hereinafter DOJ Website] (alleging that the Mongols have ties with violent Hispanic street gangs that are rooted in the Los Angeles area).

³¹ *Id.*

Outlaws, the Pagans, and other OMGs against the Hells Angels.³²

As explained by Cavazos, the Mongols motorcycle club was originally founded in 1970 in East Los Angeles “by a couple of Harley riders who liked to ride, party, and fight.”³³ The early Mongols were led by Louis Costello, the first national president of the Mongols, who named the club after Genghis Khan,³⁴ the thirteenth-century ruler of Mongolia who, through an unrelenting conquest, united the primitive tribes of the Siberian steppes and organized them into one tribe—the Mongols.³⁵ Members of the motorcycle club believed that use of the Mongols name would be a powerful image for the group who “rode around and conquered everything in sight.”³⁶ True to their image, members of the Mongols have been described as “paranoid and defensive and conscious of their ability to intimidate.”³⁷

1. *Trademarks and Insignia of Outlaw Motorcycle Gangs.* Bikers who are members of OMGs are easily identified by the insignia displayed on their motorcycle vests that are leather or denim jackets with the sleeves cut off, commonly referred to as “cuts.”³⁸ The outlaw biker sports a “three-piece patch” found on the back of the vest which consists of a large center patch depicting the trademark of the club, a curved top patch or “top rocker” announcing the club’s name, and a bottom patch or “bottom rocker” heralding the member’s charter affiliation, which is typically the name of a city, state, or country.³⁹ Significantly for some members of OMGs, their

³² CAVAZOS, *supra* note 22.

³³ *Id.* at 74.

³⁴ *Id.*

³⁵ For an excellent biography of the conquests of the Mongolian empire under the regime of Genghis Khan, see LEO DE HARTOG, *GENGHIS KHAN: CONQUEROR OF THE WORLD* (2004). While Genghis Khan has been renowned through the ages to have a “penchant for brutality,” many of the stereotypes of the Mongols as bloodthirsty looters and ruthless killers have recently been refuted by modern authors who extol the intellectual and artistic contributions of the empire under the rule of Khan, such as scroll painting, book writing, and detailed manuscript art. See Leigh Montgomery, *A Mongol Stereotype Debunked*, THE CHRISTIAN SCI. MONITOR, Jan. 9, 2003, available at <http://www.csmonitor.com/2003/0109/p18s03-hfes.html>.

³⁶ CAVAZOS, *supra* note 22, at 80. The home page of the official Canadian Mongols Motorcycle Club website contains the following epitaph: “TO OUR ENEMIES: A man’s greatest pleasure is to defeat his enemies, to drive them before him, to take from them that which they possess, to see those whom they cherish in tears, to ride their horses, to hold their wives and daughters in his arms. Genghis Khan 1162-1227.” See <http://www.mongolsmc.com/mongols.html> (last visited June 25, 2009).

³⁷ DOBYNS & JOHNSON-SHELTON, *supra* note 25, at 35.

³⁸ *Id.* at 21.

³⁹ *Id.* at 25. For an example of a Mongols three-piece patch see

array of patches also includes a “1%” logo, indicating that the particular member has performed deviant sexual and criminal acts sufficient to be considered a one-percenter member of the OMG.⁴⁰ Protecting the patches and the marks and designs that decorate them (collectively referred to as the club’s “colors”) is extremely important to OMGs.⁴¹ Specifically, each club has well-defined geographical and social areas in which they can exclusively fly their colors.⁴²

Unlike efforts by the mafia and other criminal organizations that attempt to cloak their illegal activities in legitimacy, bikers in OMGs proudly fly their colors for the specific purpose of publicly announcing their sexual and criminal exploits.⁴³ The colors of outlaw bikers are, indeed, “worth fighting for and, if need be, even dying for.”⁴⁴ In 1972, the Hells Angels chapter in Australia demanded that the rival Rebels gang change the colors of their red and white banner because it resembled the HELLS ANGELS insignia.⁴⁵ The demand turned into an ongoing feud that resulted in the beating death of the Hells Angels’ president by members of the Rebels.⁴⁶ A few years later when the Coffin Cheaters from Melbourne insisted that the Resurrected motorcycle club change their name, the president of the Coffin Cheaters was also beaten close to death and his

<http://shoutingthomas.typepad.com/.a/6a00d8341ccad453ef010535a654e2970b-pi>.

⁴⁰ VENO, *supra* note 18, at 41. Some OMGs require that their members engage in serious crimes such as rape and murder as a precondition for their involvement with the club. See MICHAEL WOODIWISS, *ORGANIZED CRIME AND AMERICAN POWER* 346 (2001). Gang investigators have identified various other symbols used by Hells Angels members to signal their performance of specifically abhorrent acts. For example, golden wings denote participation of a gang bang involving more than fifteen men; purple wings indicate the member has performed cunnilingus on a dead woman; white crosses are earned by a member who opens a grave and steals and wears an item from the casket as part of his colors; and red crosses are for those who perform fellatio on another male in front of other Hells Angels. See VALENTINE, *supra* note 24, at 157-58. But see HUNTER S. THOMPSON, *HELLS ANGELS: A STRANGE AND TERRIBLE SAGA* 9 (1967) (asserting that all the 1% patch means is that the biker who wears it is “proud to be a part of the alleged one percent of bike riders whom the American Motorcycle Association refuses to claim.”).

⁴¹ See VENO, *supra* note 18, at 41. If a Hells Angels “brother” quits the club for any reason, the other members are required to remove every article of clothing and other memorabilia sporting reference to the logo, “not merely to punish and divest him, but because the stuff simply is not his.” If the ousted member leaves on good terms, he must place an “out” date on his HELLS ANGELS arm tattoo; however, if he leaves on bad terms, the tattoo is “carved off—in some cases taken back with a cheese grater, or with a clothes iron on the linen setting.” See DOBYNS & JOHNSON-SHELTON, *supra* note 25, at 75.

⁴² VENO, *supra* note 18, at 41 (claiming that there is nothing more sacred to a club than its colors and respect for the colors, both within the club and from other rival clubs).

⁴³ See VALENTINE, *supra* note 24, at 157-58.

⁴⁴ *Id.*

⁴⁵ See SHER & MARSDEN, *supra* note 22, at 85.

⁴⁶ *Id.*

nineteen-year-old girlfriend raped.⁴⁷

The colors of an OMG also play an integral role in an intricately detailed and often lengthy ritual in becoming a “full-patch” member of a biker gang. As one ATF agent notes, an OMG’s colors represent “more than mere affiliation with a biker club, they symboliz[e] an earned lifestyle of hardcore criminal exploits and instant respect and rank among fellow gang members.”⁴⁸ Each part of the three-piece patch indicates a biker’s current status and rank within the OMG.⁴⁹ A “prospect” or probationary club member who has a “lowly” status within the club, may only wear the bottom rocker; prospects are one step above “hang-arounds,” who are not allowed to wear any patches since they are only “infatuated” with the club and have not shown acts of loyalty.⁵⁰ After spending a significant amount of time as a hang-around or gofer for the OMG, and then a year as a prospect, a lucky few make the grade of a full-patch member who is able to wear the club’s trademark on the back of his cut.⁵¹

The Hells Angels’ logo “is as recognizable an American logo as the burger chain’s golden arches or the Nike swoosh.”⁵² It consists of “an angry-looking skull with a helmet and feathers streaming behind him.”⁵³ The Hells Angels claim that their name and “death head” logo, as pictured in Figure 1 on the next page, symbolize freedom, individualism, toughness, and lawlessness; ironically, however, both HELLS ANGELS and various design depictions of the death head emblem are currently federally protected by registered trademarks in the PTO.⁵⁴

⁴⁷ *Id.*

⁴⁸ KERRI DROBAN, *RUNNING WITH THE DEVIL: THE TRUE STORY OF THE ATF’S INFILTRATION OF THE HELLS ANGELS* 8 (2007).

⁴⁹ *Id.* at 8-9.

⁵⁰ *Id.* at 9 (explaining that hang-arounds are also known as “slick backs,” because their cuts are bare of any patch).

⁵¹ SHER & MARSDEN, *supra* note 22, at 6-7. For a detailed explanation of the steps taken by Hells Angels members to gain their full-patch status, see *Inside Outlaw Bikers: Hells Angels* (National Geographic Channel television broadcast Nov. 26, 2007). See also *United States v. Starrett*, 55 F.3d 1525, 1533-34 (11th Cir. 1995) (outlining the strict procedures taken by members of the Outlaws to obtain membership and become an elected official of the club).

⁵² SHER & MARSDEN, *supra* note 22, at 4. For an interesting history of the derivation and uses of the Hells Angels motto and emblem, as well as the post-World War II origins of the Hells Angels Motorcycle Club, see Hells Angels Motorcycle Club, *The Beginning of Hells Angels MC*, available at <http://www.hells-angels.com/HISTORY.html> (the club’s official website) (last visited on June 9, 2009).

⁵³ SHER & MARSDEN, *supra* note 22, at 1-2.

⁵⁴ U.S. Trademark No. 1,136,494 (filed June 15, 1978) (registered May 27, 1980), available at www.uspto.gov.

Figure 1. Hells Angels' Logo.⁵⁵

This particular mark, registered by the PTO in 1980 in the name of the Hells Angels Motorcycle Corporation for “membership in an association of motorcycle drivers,” is one of seven HELLS ANGELS registrations in various international classes, including jewelry, books, t-shirts, and entertainment services.⁵⁶ No other motorcycle club has been as successful as the Hells Angels in building and controlling its public image and trademark.⁵⁷ In fact, in recent years the Hells Angels have aggressively initiated trademark infringement actions alleging improper third-party use of their registered marks. The most recent lawsuit was filed in February 2009, and claimed that the defendants Fawn Myers and Terry Myers committed trademark infringement and cyberpiracy when they attempted to auction domain names associated with the Hells Angels, such as “ha-mc.com and 81-mc.com.”⁵⁸ The motorcycle club also filed a suit against an affiliate of Walt Disney in the Federal District Court of California in 2006, in which the club claimed that characters in a Disney movie about a group of motorcycle riders called WILD HOGS infringes its trademark name and skull logo.⁵⁹

⁵⁵ DOBYNS & JOHNSON-SHELTON, *supra* note 25, at 140. The author notes various contradictions in the claims by Hells Angels that they are nonconformists who are “separate from society” and that they “flout the laws of the land” despite the fact that they use federal trademark laws to protect the symbols that promote their lawless activities. *Id.* In fact, Sonny Barger is known for his “shrewd sense of business,” as demonstrated by his leadership in incorporating the Hells Angels Club in the State of California in 1966. See SHER & MARSDEN, *supra* note 22, at 39.

⁵⁶ See U.S. Trademark No. 1,136,494, (filed June 15, 1978) (registered May 27, 1980), available at www.uspto.gov.

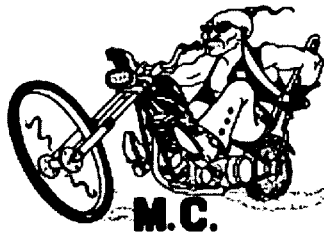
⁵⁷ SHER & MARSDEN, *supra* note 22, at 5.

⁵⁸ Rachel Mendleson, *Hells Angels Get Revved Up Over Their Trademarks*, MACLEANS, Feb. 26, 2009, available at <http://www2.macleans.ca/2009/02/26/hells-angels-get-revved-up-over-their-trademarks/>. The motorcycle club successfully sued Marvel Comics in 1992 for using the HELLS ANGELS mark in a comic book. See *id.*

⁵⁹ See The Associated Press, *Hells Angels Sue Disney on Planned Movie*, N.Y. TIMES, Mar. 11, 2006, at C4. See also Dennis Harvey, “Wild Hogs,” VARIETY.COM, Feb. 24, 2007, available at <http://www.variety.com/review/VE1117932892.html?categoryid=31&cs=1> (last visited Dec. 15, 2009) (producers of the movie changed the name of the motorcycle club portrayed in the movie from the “Hells Angels” to the “Del Fuegos”); Hells Angels

After rapidly growing in membership since its foundation, the Mongols challenged the Hells Angels' "ownership" of the California territory when they began to fly the CALIFORNIA bottom rocker patch, which had been the exclusive privilege of the Hells Angels.⁶⁰ In 2003, the Mongols Nation Motorcycle Club, Inc. (the "Mongols Nation") applied to the PTO for registration of the word mark MONGOLS for use in International Class 35 in connection with "promoting the interests of persons interested in the recreation of riding motorcycles."⁶¹ The PTO registered the requested trademark on January 11, 2005. The following year, the Mongols Nation was also granted registration for the design mark depicted in Figure 2 in International Class 025 for use in connection with "jackets and t-shirts."⁶²

Figure 2. Mongols Nation Trademark.⁶³



The Hells Angels and the Mongols are not the only OMGs who have been vigilant in federally protecting their marks in the United States.⁶⁴ In May 2009, a Texas individual—presumably a member of the Bandidos—applied for the word mark BANDIDOS used to "indicate membership in motorcycle riding club in which only members receive membership cards and are exclusively authorized to adorn themselves with various club

Motorcycle Corp. v. Walt Disney Motion Pictures Group, Inc., Case No. CV 06-1459 (C.D. Cal. 2006).

⁶⁰ CAVAZOS, *supra* note 22, at 75-76.

⁶¹ U.S. Trademark No. 2,916,965 (filed July 28, 2003) (registered Jan. 11, 2005), available at www.uspto.gov.

⁶² *Id.*

⁶³ U.S. Trademark No. 3,076,731 (filed Apr. 15, 2003) (registered Apr. 4, 2006), available at www.uspto.gov.

⁶⁴ For example, the Outlaws Motorcycle Club, Inc. owns two registrations for OUTLAWS MC design marks in International Class 35 for "association services—namely—promoting the interests of motorcycle riders." U.S. Trademark No. 2,935,807 (filed Sept. 22, 2003) (registered Mar. 29, 2005) and U.S. Trademark No. 2,896,928 (filed Sept. 22, 2003) (registered Sept. 22, 2004).

paraphernalia having or displaying the 'Bandidos' name and/or logo."⁶⁵ Even internationally-based OMGs like the Gypsy Jokers from Australia have registered their mark and logo in the PTO.⁶⁶

2. *Merchandising Efforts of Outlaw Motorcycle Gangs.* Over the last thirty years, we have witnessed a considerable growth of the reach of trademark law in the merchandising industry in the United States, as trademark owners don clothing, key chains, coffee cups, and other assorted merchandise with their popular marks⁶⁷—the OMGs are no exception. Trademark merchandising programs are used to market goods or services that are unrelated to those originally bearing the licensed mark of the owner.⁶⁸ Rather than indicating the commercial origin of the goods, the primary goal of merchandising programs is to increase the attractive function of the marks by allowing consumers to purchase and adorn themselves with a variety of items that not only function as "brand builders," but also allow for public identification.⁶⁹ These programs undoubtedly are an important and lucrative source of revenue for modern businesses.⁷⁰ Indeed, the value of trademarks today "reflects the increased importance of intangible assets to the current, highly mobile service economy and the corresponding decreased importance of land and other fixed assets that made up the backbone of the old manufacturing economy."⁷¹

As OMGs become more trademark savvy by actively protecting their logos through registration in the PTO and by their initiation of trademark infringement lawsuits, they are also engaging in collateral merchandising

⁶⁵ U.S. Trademark No. 77,730,338 (filed May 6, 2009). The application states that the English translation of "Bandidos" means "bandit or outlaw." *Id.*

⁶⁶ U.S. Trademark No. 2,912,746 (filed Apr. 22, 2003) (registered Dec. 21, 2004); U.S. Trademark No. 3,099,893 (filed Apr. 22, 2003) (registered June 6, 2006); U.S. Trademark No. 3,053,002 (filed Apr. 22, 2003) (registered Jan. 31, 2006).

⁶⁷ See James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882, 920 (2007); see also Daniel L. Fulkerson, *Fundamentals of Importing and the Customs Modernization Act*, 5 TULSA J. COMP. & INT'L L. 335, 335 (1998) (discussing the "myriad" of regulations in the U.S. Customs Service that bombard importers today, given that more industries are selling and buying in the global marketplace).

⁶⁸ See Irene Calboli, *The Sunset of "Quality Control" in Modern Trademark Licensing*, 57 AM. U. L. REV. 341, 349-511 (2007) (examining the history of quality control requirements in traditional trademark licensing programs and asserting that it must be revamped in order to accommodate modern programs of promotional trademark licensing, merchandising, and franchising).

⁶⁹ *Id.* at 350.

⁷⁰ *Id.* at 376-78.

⁷¹ See Sheldon H. Laskin, *Only a Name? Trademark Royalties, Nexus, and Taxing That Which Enriches*, 22 AKRON TAX J. 1, 2 (2007).

programs that utilize the marks they originally registered as service marks in conjunction with a variety of promotional goods. The “support” page of the Hells Angels’ official website has links to authorized merchandise sites owned by individual Hells Angels local chapters, which sell an expansive and diverse array of “support gear” with the HELLS ANGELS mark, as well as other club-sponsored insignia such as clothing, glassware, calendars, ashtrays, stickers, sunglasses, jewelry, and other items.⁷² Such marketing efforts are proving quite profitable for the OMG, as the HELLS ANGELS brand reported to have sold \$100,000 at a Canadian Internet retail business in 2001.⁷³ Moreover, despite the current federal order in *Cavazos* seizing the MONGOLS trademark, the club’s official website contained a page announcing that the Mongols store, which appeared to offer t-shirts, hats, mugs, and other merchandise containing the MONGOLS mark, is “coming soon.” However, the website has recently been taken down.⁷⁴

Since a trademark may be the most valuable asset that a business owns,⁷⁵ it is understandable why the *Cavazos* court has utilized Section 1963(a)-(b) of RICO in order to seize this important asset of the Mongol Nation. A trademark that is used effectively “can be incredibly valuable” to its owner.⁷⁶ By choosing to engage in a trademark licensing program, a trademark owner can enhance the goodwill of its mark and extend its marketing potential by allowing others to sell goods and services in connection with the mark in diverse fields of use and in different markets, thus obtaining ongoing royalties through the efforts of third parties.⁷⁷ “A trademark owner may choose to use the trademark on some of its products and to license the right to use the mark for other goods and services to a third party, particularly where the trademark owner has little or no manufacturing or marketing expertise in the area of the licensed

⁷² See Hells Angels Motorcycle Club, *HAMC Support*, available at <http://www.hells-angels.com/SUPPORT.html> (last visited June 25, 2009).

⁷³ See Nicholas Köhler, *P.E.I. Police Shut Down Hells Angels Store*, MACLEAN’S, June 12, 2006, available at http://www.macleans.ca/canada/national/article.jsp?content=20060612_128525_128525 (last visited June 26, 2009).

⁷⁴ See Mongol Motorcycle Club, *Brotherhood*, available at <http://www.mongolsmc.com/mmcbrotherhood.html> (last visited June 25, 2009).

⁷⁵ See, e.g., Mazen Al –Tamimi, *Trademarks: Their Essence and High Economic Value*, YEMENTIMES, Aug. 12, 2009, available at <http://www.yementimes.com/article.shtml?i=1015&p=business&a=2> (last visited on July 15, 2009). For companies, the trademark is a high-priced financial asset, as evidenced by the value of the world-famous COCACOLA® trademark which, according to recent statistics, was valued at more than \$66 billion. *Id.*

⁷⁶ Jeffery R. Peterson, *What’s the Use? Establishing Mark Rights in the Modern Economy*, 5 HOUS. BUS. & TAX L. J. 453, 453 (2005).

⁷⁷ See Xuan-Thao N. Nguyen, *Bankrupting Trademarks*, 37 U.C. DAVIS L. REV. 1267, 1276-77 (2004).

products.”⁷⁸ Because the OMGs who register trademarks are normally not in the business of making hats, t-shirts, and other merchandise that they are selling on their websites and elsewhere in order to support the financial viability of their gangs, it is likely that they are engaged in such licensing programs with third parties who do specialize in manufacturing these type of ancillary goods, thus enhancing the value of their trademarks in commerce both in the United States and abroad by way of Internet sales.⁷⁹

C. Illegal Acts of Outlaw Motorcycle Gangs Committed in Connection With Their Marks

In association with their colors and insignia, the Hells Angels and other OMGs are alleged to boast some “of the world’s most sophisticated criminal enterprises.”⁸⁰ The DOJ maintains that the Mongols transport and distribute illegal drugs such as cocaine, marijuana, and methamphetamines and reports that members of the club are said to “frequently commit violent crimes including assault, intimidation and murder in defense of their territory, and to uphold the reputation of the club.”⁸¹ Law enforcement officials reported that OMGs are involved in numerous illegal business activities, such as “running strippers . . . and prostitutes.”⁸² They are also engaged in “[o]ther economically driven crimes” such as “the purchase and sale of illegal weapons, arson, loan sharking, forgery and counterfeiting, and welfare fraud.”⁸³ The DOJ maintains that the Mongols and other OMGs “are highly structured criminal organizations whose members engage in criminal activities such as violent crime, weapons trafficking, and drug trafficking” and that they “pose a serious national domestic threat” in carrying out these illegal acts.⁸⁴

1. *Crimes Against Women.* When reviewing the canon of crimes committed against women by members of OMGs, one may feel as if he or she were propelled back into a medieval world of abuse and slavery. Female ATF agents who have been assigned to assist in infiltrating OMGs

⁷⁸ *Id.* at 1277.

⁷⁹ Interestingly, law enforcement agents and other citizens concerned about the presence of the “1%” logo increasingly worn by OMG members have begun a counter movement by selling “99%” merchandise in support of police officers and others dedicated to combating organized and gang crime. The “Police Colors” gear can be purchased at <http://www.cafepress.com/99percentgear/> (last visited on Aug. 18, 2009).

⁸⁰ SHER & MARSDEN, *supra* note 22, at 7.

⁸¹ See DOJ Website, *supra* note 30.

⁸² *Id.*

⁸³ *Id.*

⁸⁴ *Id.*

to expose their illegal acts have had the particularly cumbersome burden of posing as “old ladies”—the only role that women are able to assume in the OMG world—as gofers and servants to essentially any current whim of the bikers.⁸⁵

Women are not allowed to be members of OMGs,⁸⁶ but if they do associate with male members, the old ladies are deemed to be the actual property of that member and required to work as nude dancers or prostitutes in order to help monetarily support the club.⁸⁷ OMG members often keep more than one “old lady” at a time, and are known to buy and sell their old ladies to other club members; however, some women have been able to “buy their way out” and obtain freedom from the OMG.⁸⁸ Old ladies are required by male OMG members to count and repackage the drugs before resale to third parties; they are also often forced to smuggle drugs into prison; and outlaw bikers are known to ration drugs and money to their old ladies, forcing them to be entirely dependent upon the male members of the

⁸⁵ SHER & MARSDEN, *supra* note 22, at 214-15 (noting how many women who become associated with OMGs suffer from abuse by the bikers and, thus, are afflicted with emotional problems, low self-esteem, and narcotic abuse).

⁸⁶ *But see* VENO, *supra* note 18, at 165 (acknowledging the existence of a strong sexist attitude among OMGs and admitting that women will likely never be allowed to become members, but also noting that women are increasingly encouraged to ride their own bikes with the clubs).

⁸⁷ *See* United States v. Starrett, 55 F.3d 1525, at 1534 (11th Cir. 1995). In Starrett, the Court of Appeals upheld convictions of four members of the Outlaws for substantive violations of RICO. In its lengthy opinion, the court provides a detailed and disturbing depiction of acts of murder, rape, and domination of women perpetrated by the defendant bikers. The stories of Joyce Karleen and Naomi Sinoqub are particularly foreboding. *Id.* at 1535-36. While looking for work in Florida, Karleen became involved with defendant James Thomas Nolan. *Id.* at 1535. On her first few days with the Outlaws, Nolan threatened her, forced her to perform oral sex on him, raped her, and allowed eight other Outlaws to rape her. *Id.* After this terrifying encounter, Karleen submitted to working at a local lounge as a topless dancer with the rest of the old ladies. *Id.* Days later, a few Outlaws became convinced that Karleen had stolen a “property patch,” an indicator of a woman’s status as an old lady of the club. *Id.* As punishment, they took her in back of the clubhouse, tied her to a chair, punched and kicked her, and seared her breasts with a hot spoon. *Id.* They then dumped her partly naked and battered body in a remote field, but somehow she managed to survive. *Id.* Sinoqub was defendant Donald Joe Sears’ old lady at the time that Karleen was being punished by the Outlaws. *Id.* During Karleen’s torture, Sinoqub and other old ladies were forced to “take a good look” at Karleen before she was taken from the clubhouse since this, too, would happen to them if they similarly misbehaved. *Id.* at 1536. After Sinoqub escaped from the clubhouse shortly thereafter, Nolan ordered Sears and other Outlaws to find and kill her. *Id.* After locating Sinoqub, Sears and another Outlaw took her on a fishing boat, shot her in the head, slashed her throat and abdomen, and disposed of her body into the ocean. *Id.* She was never found, and state charges were never filed against any Outlaw for her savage murder. *Id.*

⁸⁸ *Id.* at 1534.

club.⁸⁹ Even the president of the Mongols, while extolling the overall behavior and intentions of his club members, openly admits that in the early days of his involvement with the gang he realized that “they totally disrespected women” and “slapped them around for no reason.”⁹⁰

2. *Racially Motivated Crimes.* In addition to the barbarous crimes committed against women by OMGs, some gang members are said to be motivated to commit similar violent acts, including murder, inspired by a “racist hatred of African-Americans,” which are targeted by members of the gangs “purely for the color of their skin.”⁹¹ According to the federal indictment in *Cavazos*, undercover officers who infiltrated the Mongols OMG “discovered that it was a fundamentally racist organization.”⁹² One member of the Mongols was charged with committing a hate crime as a result of committing attacks against African-Americans.⁹³ Some of the specific acts described in the indictment include allegations that: (a) four Mongols members attacked and beat an African-American patron at a lounge in Hollywood while shouting racial slurs at the victim; (b) two members of the gang beat and repeatedly stabbed a female friend of the gang after they “observed her in the company of an African-American man”; and (c) “members of the gang threatened to assault an African-American patron” at a restaurant unless he immediately left the premises.⁹⁴

III. PROTECTION OF OUTLAW MOTORCYCLE GANG MARKS UNDER THE LANHAM ACT

Before any meaningful discussion regarding the effects that RICO seizure laws have on trademarks owned by OMGs, it is important to understand; (a) the general structure of federal trademark registration provided by the Lanham Act as relied on by OMGs whose marks are protected under such laws; and (b) important limitations and restrictions on registration of trademarks that will be interpreted in analyzing the viability

⁸⁹ *Id.*

⁹⁰ CAVAZOS, *supra* note 22, at 79.

⁹¹ Casey Sanchez, *Mongols Indictment Details Biker Gang's Racism, Alleged Crimes*, SOUTHERN POVERTY LAW CENTER, Oct. 24, 2008, available at <http://www.splcenter.org/blog/2008/10/24/mongols-indictment-details-motorcycles-gang%E2%80%99s-racism-alleged-crimes/> (last visited on March 3, 2010).

⁹² *Id.*

⁹³ See *Outlaw Biker Takedown Sets New Capture Record*, AMERICA'S MOST WANTED, July 11, 2009, available at http://www.amw.com/features/feature_story_detail.cfm?id=2994 (last visited on March 5, 2010).

⁹⁴ Sanchez, *supra* note 91.

of the *Cavazos* opinion. It is clear that motorcycle organizations, in general, are entities entitled to federal registration of the trademarks they use in conjunction with providing motorcycle recreation services and related merchandise.⁹⁵ In 1946, Congress enacted a federal civil statute named the Lanham Act⁹⁶ in order “to provide a comprehensive scheme of protection” for trademark owners, including those who offer services to the public in connection with the marks that they own and register.⁹⁷ The Lanham Act protects the rights of trademark owners by offering them a monopoly of use of their marks in connection with the sale of goods and offering of services; however, its main purpose is to protect consumers from being misled as to the source and sponsorship of such goods and services offered in commerce.⁹⁸ Although the Act assists trademark owners in protecting their trademark rights from potential consumer confusion by granting federal protection for marks that they register in the PTO,⁹⁹ trademark rights are effectively acquired by actual use of the trademark in connection with goods or services in the United States; the first person or entity to use a trademark obtains rights in that mark that are superior to those of any third party who later uses the same mark, regardless of whether the prior user registers the mark or not.¹⁰⁰

A. *The Benefits of Federal Trademark Registration*

Trademark registration, although not required to obtain rights in a mark, nonetheless enhances the rights trademark owners obtain by using their trademarks to identify goods or services they provide to the public.¹⁰¹ Therefore, any mark officially registered by an OMG in the PTO is entitled to various protections offered by the Lanham Act that non-registered marks

⁹⁵ See *In re Beatrice Foods Co.*, 429 F.2d 466, 472 (C.C.P.A. 1970) (stating that the right to a trademark is based upon actual use).

⁹⁶ Lanham Act, Pub. L. No. 79-489, 60 Stat. 427 (1946).

⁹⁷ See *Min Ae Yu et al.*, *supra* note 11, at 681.

⁹⁸ Alan R. Gerald, *Misuse: An Equitable Defense to Intellectual Property Infringement Actions*, 14 HASTINGS COMM. & ENT. L.J. 235, 252 (1992). The authority for creation of the Lanham Act does not stem directly from a specific Constitutional clause as does Congress' ability to enact the Patent and Copyright Acts but rather from broader commerce powers that were delegated to Congress by the Constitution. *Id.* at 236.

⁹⁹ Vanessa Bowman Pierce, *If it Walks Like a Duck and Quacks Like a Duck, Shouldn't it be a Duck? How a "Functional" Approach Ameliorates the Discontinuity Between the "Primary Significance" Tests for Genericness and Secondary Meaning*, 37 N.M. L. REV. 147, 149 (2007). See 15 U.S.C. § 1114 (2006).

¹⁰⁰ See Trademark (Lanham) Act of 1946, 15 U.S.C. § 1057(c) (2006) (trademark registrant obtains the right of priority to use the mark over all third parties except prior users and prior applicants).

¹⁰¹ MARY LAFRANCE, UNDERSTANDING TRADEMARK LAW §2.08 at 77 (2005).

do not enjoy. Importantly, registration in the PTO is *prima facie* evidence that the mark is valid and is owned by the registrant, as well as who has the exclusive right to use the mark in commerce in connection with the specific goods and services set forth in the registration.¹⁰² Registration of a trademark in the PTO, while not enlarging the owner's common law rights obtained by actual use, does nonetheless confer additional real benefits upon such owner, including the possibility that, after five years, registration will become uncontestable by third parties and constitute conclusive evidence of the owner's right to use the mark, the right to request customs officials to bar the importation of goods affixing infringing trademarks, the right to file trademark actions in federal courts without regard to diversity of citizenship or the amount in controversy, treble damage actions against owners of infringing trademarks, and other important remedies.¹⁰³ Registration may also provide an intangible psychological benefit to the trademark owner, who will perceive an official certificate of registration as the government's implicit approval of the mark.¹⁰⁴

Many of the service marks owned by the Mongols, the Hells Angels, and other OMGs denoting membership in a motorcycle association are classified as collective trademarks, or marks that indicate that its users are official members of the organization or collective group that owns and has registered the mark.¹⁰⁵ The Lanham Act defines a collective mark as one "used by the members of a cooperative, an association, or other collective group or organization."¹⁰⁶ The legal theory that the use of collective marks bespeaks membership within an organization implies that the organization itself has a coherent identity.¹⁰⁷ Pursuant to the Lanham Act, there is no government control over the standards for identity that are set for using any particular certification mark; the mark owner sets the relevant standards and then convinces consumers, by advertising efforts, that the certification system it employs provides reliable information regarding the quality and

¹⁰² *Id.*

¹⁰³ *Georator Corp. v. United States*, 485 F.2d 283, 285 (4th Cir. 1973). See 15 U.S.C. §§ 1051, 1065, 117(b), 1121(a), 1124 (2006).

¹⁰⁴ Todd Anten, *Self-Disparaging Trademarks and Social Change: Factoring the Reappropriation of Slurs into Section 2(a) of the Lanham Act*, 106 COLUM. L. REV. 388, 397 (2006) (stating that, although courts routinely refuse to acknowledge any secondary psychological benefits because the mere act of registration is not intended to be an imprimatur or sanctioning of the mark by the government, registration "undeniably carries a message to the individual registrant" about the status of the mark).

¹⁰⁵ See LAFRANCE, *supra* note 100, at §2.09[D] at 99.

¹⁰⁶ See 15 U.S.C. § 1127 (2006).

¹⁰⁷ David A. Simon, *Register Trademarks and Keep the Faith: Trademarks, Religion and Identity*, 49 INTEL. PROP. L. REV. 233, 237 (2009).

origin of services associated with the mark.¹⁰⁸ Collective marks are analyzed by the same trademark principles and doctrines as regular trademarks.¹⁰⁹ As with other trademarks, collective mark owners can obtain rights in such marks pursuant to common law doctrine without having to obtain registration in the PTO.¹¹⁰

B. Section 2 Restrictions on Registration

Not all types of trademarks are entitled to registration in the PTO per se since the ownership of a trademark is not a right in gross.¹¹¹ Because the Principal Register in the PTO is a forum specifically created and maintained by the federal government to offer registrants benefits not available for unregistered trademarks, it is considered a nonpublic forum in which restrictions on registrability can be maintained as long as they are reasonable and viewpoint-neutral.¹¹² Section 2 of the Lanham Act precludes registration of various categories of marks, *inter alia*, terms that are the generic or the common descriptive name of a product or service,¹¹³ terms that are deceptively misdescriptive of geographic location,¹¹⁴ or those that so resemble a mark previously registered in the PTO as to be likely, when used on or in connection with the goods or services of the applicant, to cause confusion with respect to the prior mark.¹¹⁵

In addition to these bans on registration that are motivated primarily by the goals of preventing consumer confusion, a more controversial prohibition on registration is contained in Section 2(a) of the Act, disallowing registration of trademarks that are scandalous, immoral, or

¹⁰⁸ Nancy Kremers, *Speaking With a Forked Tongue in the Global Debate on Traditional Knowledge and Genetic Resources: Are U.S. Intellectual Property Law and Policy Really Aimed at Meaningful Protection for Native American Cultures?*, 15 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1, 96 (2004).

¹⁰⁹ Justin Hughes, *Champagne, Feta, and Bourbon: The Spirited Debate About Geographical Indications*, 58 HASTINGS L.J. 299, 310 (2006).

¹¹⁰ *Id.*

¹¹¹ John Grady & Steve McKelvey, *Trademark Protection of School Colors: Smack Apparel and Sinks Decisions Trigger Color-ful Legal Debate For The Collegiate Licensing Industry*, 18 J. LEGAL ASPECTS SPORT 207, 215 (2008).

¹¹² Lilit Voskanyan, *The Trademark Principal Register as a Nonpublic Forum*, 75 U. CHI. L. REV. 1295, 1296-97 (2008).

¹¹³ See J. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION, § 12:1, at 520 (1984).

¹¹⁴ 15 U.S.C. § 1052(e) (2006). See, e.g., *Vail Assoc., Inc. v. Vend-Tel-Co., Ltd.*, 516 F.3d 853, 876 n.2 (10th Cir. 2008).

¹¹⁵ 15 U.S.C. § 1052(d). See, e.g., *Morton-Norwich Prods., Inc. v. S.C. Johnson & Son, Inc.*, 531 F.2d 561, 562 (C.C.P.A. 1976) (holding that RAINFRESH is confusingly similar to RAIN BARREL given the similarity of the marks as they are used in commerce).

disparaging.¹¹⁶ A mark is considered to fall within these categories if it would be offensive to the conscience or moral feelings of a substantial part of the general public in the context of contemporary standards, keeping in mind changing social mores and sensitivities.¹¹⁷ In adjudging marks pursuant to Section 2(a), then, courts must always be mindful of ever-changing social attitudes, since “[t]oday’s scandal can be tomorrow’s vogue,” and because vivid portrayals of violence and sexuality that are popular today “would have left the average audience of a generation ago aghast.”¹¹⁸ For example, in 1971 a registration was denied for the mark BUBBY TRAP for brassieres as scandalous,¹¹⁹ yet registration was granted in 1988 for the term BIG PECKER BRAND for t-shirts.¹²⁰ The historical disparate treatment that marks have received pursuant to the PTO’s paternalistic analysis under Section 2 is apparent from these and other examples, resulting in an unchecked government entity that acts as a watchdog over marks it deems “good” versus those it subjectively determines to be morally corrupt.

Several scholars have argued that the Lanham Act should not contain such “moral” prohibitions that, in effect, can serve as a form of censorship that have no function in preserving the basic goal of trademark law—to alleviate consumer confusion.¹²¹ “Although the moral classification scheme in [Section] 2(a) appears to have no rational relationship to the Lanham Act’s underpinnings of preventing confusion and deception in the market place, the decision to treat scandalous trademarks differently from innocuous or wholesome trademarks does appear rationally related to the federal government’s desire not to squander precious public funds on promoting matter that, by definition, offends the public sense of propriety.”¹²²

¹¹⁶ See 15 U.S.C. § 1052(a); see also *In re Mavety Media Group, Ltd.*, 33 F.3d 1367 (Fed. Cir. 1994).

¹¹⁷ See *In re Wilcher Corp.*, 40 U.S.P.Q.2d (BNA) 1929, 1930 (T.T.A.B. 1996).

¹¹⁸ *In re Mavety Media Group, Ltd.*, 33 F.3d at 1371.

¹¹⁹ *In re Runsdorf*, 171 U.S.P.Q.(BNA) 443 (T.T.A.B. 1971).

¹²⁰ *In re Hershey*, 6 U.S.P.Q.2d (BNA) 1470 (T.T.A.B. 1988).

¹²¹ See, e.g., Llewellyn Joseph Gibbons, *Semiotics of the Scandalous and the Immoral and the Disparaging: Section 2(a) Trademark Law After Lawrence v. Texas*, 9 MARQ. INTELL. PROP. L. REV. 187, 193 (2005) (claiming that in declining to register a mark based on Section 2(a), speech will be burdened and considered worthy or unworthy based on an arbitrary value system); Pamela C. Chalk, *The True Value of Trademarks: Influencing Who We Are And Who We Want to Be*, 12 J. CONTEMP. LEGAL ISSUES, 20, 20-21 (2001) (arguing that the government should remain neutral in the “war over words”).

¹²² Stephen R. Baird, *Moral Intervention in the Trademark Arena: Banning the Registration of Scandalous and Immoral Trademarks*, 83 TRADEMARK REP. 661, 677 n.52 (1993).

Marks that advocate illegal activity when viewed in relation to the recited goods and services in the application are considered scandalous pursuant to Section 2(a) and, therefore, unregistrable.¹²³ The problem with applying Section 2(a) to deny registration of marks and insignia used by the Mongols and other OMGs is that, to date, none of these marks contain illegal, immoral, or scandalous content on their face. While some members of the OMGs that register marks like HELLS ANGELS, MONGOLS, or even BANDIDOS undoubtedly display those marks when participating in illegal acts as described in Section I (C) of this Article, there is no basis for an allegation that the marks themselves are susceptible to the moral prohibitions outlined in Section 2(a) of the Act. Therefore, as long as OMGs abide by other Lanham Act requirements, they have the legal right to register their marks and avail themselves of the myriad of privileges afforded to mark owners in the PTO. Law enforcement officials and courts looking to strip owners of trademark rights based on illegal acts committed in conjunction with those rights cannot currently find recourse in any specific provision in the Lanham Act.

IV. LAW ENFORCEMENT RESPONSES TO OUTLAW MOTORCYCLE GANGS

In order to traverse the increasingly organized and vehement acts committed by members of OMGs, law enforcement agencies rely on a combination of crime combating efforts which include—in addition to prosecution and incarceration under state and federal criminal statutes—the implementation of prevention and intervention programs designed to deter young adults from joining or remaining members of OMGs, as well as federal, state, and local multi-agency programs designed to prevent gang crimes and the adoption of comprehensive programs that approach OMG crime with “an holistic approach.”¹²⁴ Although states have enacted their own laws that specifically target gangs and gang-related criminal

¹²³ See *Id.* at 726-27 (citing an Office Action in which the Examining Attorney refused registration for the mark FAMILY HEAT for “adult entertainment magazines” because the particular words that comprise the mark when used for the stated services connote family sex, or other behavior that may violate applicable state and federal laws against incest, rape, assault and other crimes).

¹²⁴ JIM RUIZ & DONALD CHARLES HUMMER, HANDBOOK OF POLICE ADMINISTRATION 268-70 (2008). See also VALENTINE, *supra* note 24, at 1-2 (claiming that although multiple diverse programs have been instituted in attempt to combat the nationwide gang problem, such as Community Resources Against Street Hoodlums and Operation Safe Streets in Los Angeles, law enforcement experts sadly report that “nothing seems to work,” noting that gangs have multiplied tenfold since the institution of these programs and have established branch and regional bases in major U.S. cities, increasing the viability of their criminal enterprise networks).

activities,¹²⁵ prosecutors have aggressively been turning to federal laws in order to arraign murderous motorcycle gangs since the late 1980s, especially RICO.¹²⁶ As such, the history and enactment of RICO as a law enforcement tool is particularly important to the take-down of criminal operations performed by many OMGs today. As part of these take-down procedures, provisions in RICO serve as the basis for courts to order injunctions affecting the Lanham Act trademark rights of OMGs as described in Section III(A)(2) when such organizations are found guilty of racketeering activities.

A. *The Racketeering in Corrupt Organizations Act (RICO)*

Criminal charges against organized crime enterprises¹²⁷ have historically been difficult to press due to the fear held by witnesses of reprisal for their testimony at trial, often including death,¹²⁸ and other legal hurdles.¹²⁹ In order to deal with the rapid growth of crime, Congress passed RICO in 1970 as Title IX of the Omnibus Organized Crime Control Act,¹³⁰ initially in order to dismantle the mafia and notorious mob families, in particular.¹³¹

¹²⁵ RUIZ & HUMMER, *supra* note 124, at 272.

¹²⁶ Frank D'Angelo, *Turf Wars: Street Gangs and the Outer Limits of RICO's "Affecting Commerce" Requirement*, 76 FORDHAM L. REV. 2075, 2084 (2008).

¹²⁷ For an informative and comprehensive discussion of the nature of organized crime and the history and legal economic effects of various trafficking activities, including drug trafficking, arms trafficking, trafficking of stolen vehicles, smuggling illegal immigrants, and human trafficking for sexual exploitation, see generally Edward R. Kleemans, *Organized Crime, Transit Crime, and Racketeering*, 35 CRIME & JUST. 163 (2007).

¹²⁸ Igor V. Dubinsky, *How Bad Boys Turn Good: The Role of Law in Transforming Criminal Organizations Into Legitimate Entities by Making Rehabilitation an Economic Necessity*, 5 DEPAUL BUS. & COM. L.J. 379, 403-04 (2007); see also WOODIWISS, *supra* note 40, at 346 (claiming that informants are difficult to find in prosecutions against OMGs due to fear of retaliation). In addition to witnesses, law enforcement officers who have gone undercover to infiltrate the OMGs' criminal operations have also been subject to serious threats by the gangs in the wake of criminal prosecutions. See DOBYNS & JOHNSON-SHELTON, *supra* note 25, at 310 (recounting the death threats received by officers of the ATF and their families from the Hells Angels for years after the failure of Operation Black Biscuit, a major undercover operation that became exposed to the public in 2003).

¹²⁹ Douglas Kim, *Asset Forfeiture: Giving Up Your Constitutional Rights*, 19 CAMPBELL L. REV. 527, 527-34 (1997) (claiming that Congress broadened the power of forfeiture under RICO and other laws because it believed that the "traditional" criminal sanctions of imprisonment and fines were not adequate to successfully fight crime, especially in the areas of organized crime and the drug trade which were thought by Congress to be a threat to National Security).

¹³⁰ See Organized Crime Control Act of 1970, Pub. L. No. 91-452, §901, 84 Stat. 941 (1970), codified at 18 U.S.C. §1961-68 (2000).

¹³¹ Matthew Hardwick Blumenstein, *RICO Overreach: How the Federal Government's Escalating Offensive Against Gangs Has Run Afoul of the Constitution*, 62 VAND. L. REV.

1. *Prosecutions Under RICO*. Since its implementation, RICO has enabled law enforcement agencies to create sophisticated investigations and extensive prosecutions against enterprises engaged in organized crime; however, there is no clear definition of what acts will be determined as “organized” crime, and scholars disagree as to what constitutes the phenomenon.¹³² Regardless, most academicians have agreed that groups who commit organized crime have the following general attributes: “corruption, violence, continuity, structure, discipline, multiple enterprise, bonding rituals, participation in legitimate enterprise, and durability,”¹³³ and none can seriously dispute that most, if not all, of these attributes are present in many OMG enterprises.¹³⁴ “Enterprise is defined by the Act to include an individual, partnership, corporation, association, or any group of individuals, which although not a legal entity, has members that are associated in fact.”¹³⁵

RICO has broad application even beyond the traditional organized crime context because Congress mandated that the Act be liberally construed.¹³⁶ Since its inception, it has been applied to legitimate businesses and to enterprises that do not have direct profit motives.¹³⁷ In fact, “[p]rosecutors use RICO in a wide variety of criminal contexts because it has been construed liberally, it does not require mens rea beyond that necessary for the predicate acts, and it provides for severe sanctions in addition to those a defendant may receive for the underlying offenses.”¹³⁸ The key feature of RICO is that it reaches beyond the person committing the illegal acts to the enterprise and “key bosses” involved in such acts.¹³⁹ Section 1962(c) of RICO imposes liability for “any person employed by or

211, 215-16 (2009).

¹³² RUFUS SCHATZBERG & ROBERT J. KELLY, *AFRICAN-AMERICAN ORGANIZED CRIME: A SOCIAL HISTORY* 16 (1996 Garland Publ’g Inc.).

¹³³ *Id.*

¹³⁴ The contemporary Hells Angels are characterized by law enforcement agents as “a highly structured, nationwide drug trafficking organization that controls most of the methamphetamine manufacture and distribution in the United States.” See VALENTINE, *supra* note 24, at 151. They have also reportedly “developed a working relationship” with Colombian drug cartels to deal cocaine. *Id.*

¹³⁵ Erik S. Schimmelbusch, *Pretrial Restraint of Substitute Assets Under RICO and the Comprehensive Drug Abuse Prevention and Control Act of 1970*, 26 PAC. L.J. 165, 172 (1995).

¹³⁶ See Organized Crime Control Act of 1970, Pub. L. 91-452, § 904(a), 84 Stat. 922, 947 (1970) (provisions of RICO are to be liberally construed in order to effectuate the Act’s remedial purpose).

¹³⁷ Michael W. Holt & Kevin M. Davis, *Racketeer Influenced and Corrupt Organizations*, 46 AM. CRIM. L. REV. 975, 976 (2009).

¹³⁸ *Id.* at 977.

¹³⁹ Dubinsky, *supra* note 128, at 404.

associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity."¹⁴⁰ The Act details a list of activities that will constitute "racketeering activity," including "any act or threat involving murder, kidnapping, gambling, arson, robbery, bribery, extortion, dealing in obscene matter, or dealing in a controlled substance."¹⁴¹ A violation under RICO requires proof of at least two predicate acts of racketeering activity.¹⁴²

2. *Government Seizure and Forfeiture of Property.* The most controversial and far-reaching features of RICO are its provisions regarding seizure and forfeiture of the assets and property of an offending enterprise. Forfeiture is a broad-based term that calls for a divestiture of the defendant's specific property or pre-existing valid right without compensation, the roots of which can be traced to biblical times when the act was founded on the theories of punishment and restitution.¹⁴³ If a jury determines that a defendant violated RICO, the district court is mandated to order forfeiture of the defendant's property or interest in the offending enterprise.¹⁴⁴ The plain language of §1963(a)-(b) of RICO provides a wide assortment of property interests the defendant has acquired or maintained that are subject to forfeiture, specifically including "tangible and intangible personal property, including rights, privileges, interests, claims, and securities."¹⁴⁵ The two types of forfeiture available to the government include civil forfeiture (where property used or acquired in violation of law is charged and confiscated by the government) and criminal forfeiture (where property is taken from the defendant after conviction as punishment for the crime).¹⁴⁶

Courts have broadly construed the Act to permit the government to

¹⁴⁰ 18 U.S.C. § 1962(c) (2006).

¹⁴¹ 18 U.S.C. § 1961(1)(A) (2006).

¹⁴² *Shaw v. Rolex Watch U.S.A., Inc.*, 726 F. Supp. 969, 971 (S.D.N.Y. 1998). *See* 18 U.S.C. § 1961(5) (2006).

¹⁴³ Kim, *supra* note 129, at 529-31.

¹⁴⁴ *United States v. Corrado*, 227 F.3d 543, 552 (6th Cir. 2000) (affirming that asset forfeiture is mandatory pursuant to the language of 18 U.S.C. § 1963(a) and not left to the discretion of the jury after the statutory elements of the RICO offense are established); *see also* Dubinsky, *supra* note 125, at 404-05 (noting that RICO contained the first criminal forfeiture statute in American history which allows for the seizure of property obtained by the enterprise from racketeering activities).

¹⁴⁵ 18 U.S.C. § 1963(a)-(b) (2006).

¹⁴⁶ DENNIS G. FITZGERALD, *INFORMANTS AND UNDERCOVER INVESTIGATIONS* 65-66 (2007).

receive all revenue that has become tainted by a RICO violation.¹⁴⁷ The in personam basis for forfeiture under the Act extends the government's power greatly by allowing forfeiture of property that has only a very tenuous relationship or even no relationship to the crime, since the focus of the forfeiture is on the criminal defendant rather than on the fictitious guilt of the property.¹⁴⁸ These forfeiture provisions even empower the government to seize property associated with the defendant's racketeering activities that have been transferred to third parties.¹⁴⁹ Section 1963(c) of the Act provides that any property transferred by the defendant to a third party shall be forfeited to the United States Government unless the third party can prove he or she was a *bona fide* purchaser with no knowledge of the forfeiture action.¹⁵⁰ This section, also known as the "innocent owner" defense, provides the best protection for third-party owners who have had their property seized as a result of a RICO violation.¹⁵¹

Although few people sympathize with defendants prosecuted for racketeering activities who have their drug manufacturing houses, stolen cars, and illegal weapons seized, a wide variety of persons to whom "tainted" property has been transferred often possess interests in property that is the subject of seizure; for example, the title owner of a vehicle who unwittingly lends it to a friend who winds up transporting illegal substances may have to forfeit ownership of that vehicle as the fruits of a RICO violation.¹⁵² Section 1963(l) of RICO "and parallel provisions provide, however, a procedure for third-party interests to be asserted after criminal forfeiture."¹⁵³ Following the entry of an order for forfeiture, the government is mandated to "publish notice of the order and of its intent to dispose of the property . . . [and] may also . . . provide direct written notice to any person known to have alleged an interest in the property that is the

¹⁴⁷ See, e.g., *United States v. Simmons*, 154 F.3d 765, 770-71 (8th Cir. 1998); *United States v. McHan*, 101 F.3d 1027, 1042 (4th Cir. 1996); *United States v. Hurley*, 63 F.3d 1, 21 (1st Cir. 1995) (each court holding that the government is entitled to all proceeds of the racketeering in gross receipts, not net profits).

¹⁴⁸ Schimmelbusch, *supra* note 134, at 179 (noting that an asset or interest may be forfeited even if it merely provides a source of influence over any enterprise in which the defendant was involved in violation of RICO).

¹⁴⁹ Holt & Davis, *supra* note 137, at 1007.

¹⁵⁰ 18 U.S.C. § 1963(c) (2006).

¹⁵¹ Kim, *supra* note 129, at 556.

¹⁵² G. Robert Blakey & Kevin P. Roddy, *Reflections on Reves v. Ernst & Young: Its Meaning and Impact on Substantive, Accessory, Aiding Abetting and Conspiracy Liability Under RICO*, 33 AM. CRIM. L. REV. 1345, 1569-70 (1996) (maintaining that the status of victims' rights under RICO violations are "most problematic").

¹⁵³ *Id.* at 1569.

subject of the order of forfeiture.”¹⁵⁴ If the third party can then establish by a preponderance of the evidence that he or she possesses a “legal right” in the property “superior” to the defendant’s or that he or she was a *bona fide* purchaser of the property, the court must amend the order of forfeiture vesting title in the government in order to reflect the third party’s rights.¹⁵⁵ As the government has broadly applied RICO to more enterprises throughout the years since its enactment, it has “endeavored to exploit civil forfeiture law to the fullest extent possible, often without regard for the impact on innocent property owners . . . many of whom had acquired their property after it was used for illegal purposes and without knowledge of its tainted character.”¹⁵⁶ Additionally, many courts have historically been unwilling to grant relief to innocent property owners.¹⁵⁷

3. *Department of Justice Assets Forfeiture Fund.* Regardless of whether the procedure the government follows to obtain forfeiture of property is civil or criminal in nature, the practical result remains the same: all right, title, and interest in and to the property must be assigned to the United States.¹⁵⁸ The forfeited assets are subsequently sold and the proceeds of such sales are deposited into the Asset Forfeiture Fund (the “Fund”) and “used to further law enforcement initiatives including payments to informants.”¹⁵⁹ The Fund is a reporting entity within the DOJ that was created to serve as a repository for assets seized by participating agencies and the sale proceeds from forfeited property.¹⁶⁰ The proceeds placed in the Fund are used to cover DOJ operating costs, including “equitable sharing payments to state, local, and foreign governments; joint

¹⁵⁴ 18 U.S.C. § 1963(l)(1) (2006).

¹⁵⁵ 18 U.S.C. § 1963(6) (2006).

¹⁵⁶ J. William Snyder, Jr., *Reining in Civil Forfeiture Law and Protecting Innocent Owners From Civil Asset Forfeiture: United States v. 92 Buena Vista Avenue*, 72 N.C. L. REV. 1333, 1333-34 (1994).

¹⁵⁷ See *id.* at 1334.

¹⁵⁸ FITZGERALD, *supra* note 146, at 66. Criminal forfeiture is an in personam action against the defendant which requires a defendant’s conviction or plea of guilty to RICO violations, as well as a higher burden of due process, including special identification of the assets subject to forfeiture and a special verdict mandating forfeiture. See Kim, *supra* note 128, at 535-37. Civil forfeiture is an *in rem* action in which several of the protections afforded the criminal defendant are not present. *Id.* In civil forfeiture actions, the government must show probable cause that the property is subject to forfeiture under RICO or another applicable statute, but the government need only show reasonable grounds for such probable cause. *Id.* at 539.

¹⁵⁹ FITZGERALD, *supra* note 146, at 66.

¹⁶⁰ See OIG Audit Report 09-19, <http://www.usdoj.gov/oig/reports/plus/a0919.htm> (last visited on July 14, 2009).

law enforcement operations . . . and satisfaction of third-party claims.¹⁶¹ The U.S. Marshals Office operates the Fund by managing and disposing of property that has been seized and forfeited, which efforts have resulted in an annual increase of profits made from the government, resulting in \$614.5 million in 2005 alone.¹⁶²

The operation of the Fund is based on the underlying belief that increasing the costs of the criminal enterprise is the first step in facilitating its transformation to becoming a legal business.¹⁶³ This includes not only the traditional focus of legal enforcement, such as destroying drug labs and increasing the rate of prosecution of “racketeering thugs,” but also by legally decreasing all profits that can be reaped from illegal business ventures.¹⁶⁴ While it is true that Congress expanded asset forfeiture provisions in RICO and other laws not only to deter future illegal activity and “take the profit out of crime,” it also intended to produce revenue for the government to further finance the battle against organized crime, which is thought to be a direct threat to National Security.¹⁶⁵ Because the profits that can be made by OMGs through merchandising programs and enforcing their registered trademarks against third-party use have the potential to become quite high, it is understandable why the DOJ pursues the seizure of these valuable intangible assets in order to deflect their profit potential away from the OMG and into the Fund.

B. *Undercover Federal Investigations of Outlaw Motorcycle Gangs*

The recent action against the Mongols in *Cavazos* is not the first time that federal agents have been successful in seizing assets from an organized motorcycle gang under RICO and other laws.¹⁶⁶ In one of 50 simultaneous

¹⁶¹ *Id.*

¹⁶² FITZGERALD, *supra* note 146, at 66. *See also* Kim, *supra* note 129, at 534 (noting that, in recent years, forfeitures have increased to such a high volume that government agencies have been forced to reorganize in order to effectively manage the seized assets).

¹⁶³ Dubinsky, *supra* note 128, at 416. The author claims that criminal organizations are, overall, “‘economically rational’ entities that seek to maximize profitability and reduce costs” in much the same way as legal businesses operate. *Id.* at 380-82. Therefore, all laws reaching enterprise liability should ultimately seek to constrain and reform the benefits associated with an illegal enterprise that distinguish it from its legal corporate counterpart. *Id.*

¹⁶⁴ *Id.* at 417-18. Legislative history reveals that RICO’s forfeiture provisions were intended to strip criminals of their economic power. *See* S. REP. NO. 225, at 191 (1984), as reprinted in 1984 U.S.C.C.A.N. 3182, 3374.

¹⁶⁵ Kim, *supra* note 129, at 527.

¹⁶⁶ *See, e.g.,* Richard Perez-Pena, *Trouble With Angels: Motorcycle Gang is in a U.S. Court Fight Over its Clubhouse*, N.Y. TIMES, Jan. 3, 1994, at A15, available at <http://www.nytimes.com/1994/01/03/nyregion/trouble-with-angels-motorcycle-gang-is-in-a->

raids on various Hells Angels locations in 11 states in May 1985 stemming from an eight-year long undercover investigation, FBI agents and local police secured a Hells Angels clubhouse in New York located at 77 East Third Street (the “East Village Property”), resulting in 15 arrests for illegal drug trafficking in methamphetamine and cocaine.¹⁶⁷ The government filed an *in rem* civil action pursuant to the Civil Forfeiture Act¹⁶⁸ in order to seize the East Village Property, charging that the New York City Chapter of the Hells Angels motorcycle club used it to store and distribute narcotics.¹⁶⁹

In June 2003, another major undercover raid conducted by the ATF against the Hells Angels San Diego chapter, code-named “Operation Five Star,” resulted in the arrest of 17 Hells Angels members, including chapter president Guy “Big Daddy” Castiglione, often described as one of the most feared members of the Hells Angels.¹⁷⁰ The following month, a separate sting named “Operation Black Biscuit” led by federal agents in Arizona, Nevada, California, Washington, and Colorado led to search-and-seizure arrests of 50 Hells Angels, two of whom were candidates for the death penalty.¹⁷¹ The most serious offenses were rolled into a single organized crime indictment against 16 Hells Angels members, including three chapter presidents.¹⁷²

Law enforcement officials in other countries have also had success in seizing assets of dangerous OMGs in conjunction with illegal activity.¹⁷³ In 2001, Les Hoddy, notorious leader of a powerful Western Australian OMG,

us-court-fight-over-its-clubhouse.html?pagewanted=1.

¹⁶⁷ *Id.* The 1985 raids resulted in more than 100 arrests of Hells Angels members nationwide. *Id.* The East Village Property had also been the subject of police blotters prior to the 1985 raid. *Id.* In 1978, the New York chapter Hells Angel president Vincent “Big Vinnie” Girolamo was charged with throwing his girlfriend from the rooftop of the building to her death. *Id.* A neighborhood child died as a result of a prank with a firework at a Hells Angels Independence Day party at the location. *Id.*

¹⁶⁸ See 21 U.S.C. § 881(a)(7) (1993).

¹⁶⁹ See *United States v. 77 East 3rd Street*, 849 F. Supp. 876, 877 (S.D.N.Y. 1994). Interestingly, Hells Angels member Sandy Framer Alexander and the Church of Angels, Inc., a non-profit religious organization, claimed legal title to the East Village Property at the time of trial. Alexander’s wife Colette also claimed a life-tenancy in the property. At the time the civil *in rem* suit was heard, the criminal prosecutions had resulted in convictions for narcotics-related offenses of nearly all the defendants charged as a result of the investigation. *Id.*

¹⁷⁰ SHER & MARSDEN, *supra* note 22, at 403-04.

¹⁷¹ DOBYNS & JOHNSON-SHELTON, *supra* note 25, at 308.

¹⁷² SHER & MARSDEN, *supra* note 22, at 405. As a result of the July raids, 42 search warrants were issued, 1600 pieces of evidence were collected, and 560 illegal weapons were seized, as well as \$50,000 in cash and drugs. *Id.* at 404-06.

¹⁷³ See Dubinsky, *supra* note 128, at 406-09 (discussing how recent efforts to combat organized crime in Russia and Italy have led these countries to establish “a mixture of laws that parallel and emulate RICO”).

the Gypsy Jokers, had more than \$500,000 of his assets seized, including vehicles and real estate, pursuant to Australia's Criminal Property Confiscation Law, one of the toughest asset seizure laws in the world.¹⁷⁴ Canadian authorities have also been vigorously investigating illegal activities of the Hells Angels; in 2006, the Royal Canadian Mounted Police (the "RCMP") conducted a series of drug raids in Charlottetown, which resulted in the closing of the local "Route 81" franchise—one of a handful of outlets across Canada that stock a kitsch line of Hells Angels merchandise.¹⁷⁵ Attendant to that closing, the RCMP also seized all the merchandise in the store, arguing that any assets of the business are considered proceeds of crime under Canadian law.¹⁷⁶

C. Constitutional Challenges to Forfeiture Under RICO

Many scholars contend that there are an "unbelievable" number of cases in which forfeiture is "abused or overzealously pursued," allowing prosecutors to negotiate settlements with the defendant owners for the return of their property seized by the police attendant to a crime. This results in widespread abuse of the forfeiture laws that some have compared to "legalized extortion."¹⁷⁷ Despite accusations that RICO and other current

¹⁷⁴ SHER & MARSDEN, *supra* note 22, at 436-37. Australia "makes no apologies for its draconian reversal of the burden of proof" that forces defendants to assume the initial burden of proving that they are not traffickers. *Id.* at 437 (reporting that in recent years, officials in Western Australia have confiscated over \$45 million from bikers and other drug dealers pursuant to trafficking laws). In Australia, the proceeds of a crime are forfeited to the State. The property used to commit the crime is seized and then forfeited, and the defendant may be required to repay the State the dollar value of the benefit that defendant received as a result of committing the crime. See Richard J. Hunter, Jr., *Property Risks in International Business*, 15 CURRENTS: INT'L TRADE L.J. 23, 38 n.64 (2006) (citing <http://www.justice.vic.gov.au>, the website of the Department of Justice, located in Victoria, Australia) (last visited Feb. 3, 2010)).

¹⁷⁵ See Köhler, *supra* note 73.

¹⁷⁶ *Id.* The raid was named "Operation Legalize," a four-month effort conducted by Charlottetown police and the RCMP, which, in addition to the closing of the Route 81 store, also led to the seizure of motorcycles, cash, residences, and other property. See *Hell's Angels Store Closed in Charlottetown*, CBCNEWS, May 26, 2006, available at <http://www.cbc.ca/canada/story/2006/05/26/pei-hells-angels-store-closed.html> (last visited on June 26, 2009).

¹⁷⁷ See Nkechi Taifa, *Civil Forfeiture vs. Civil Liberties*, 39 N.Y.L. SCH. L. REV. 95, 100-01 (1994). In Reuben Cavazos' book, he claims that during one of the ATF raids against the Mongols in which several of his legal weapons were seized from his home, all charges were eventually dropped against him because the ATF agents could not produce wire tapes establishing that the gang was receiving stolen property. After the court determined that the weapons were legal, it ordered the federal agents to return them to Cavazos, who claims that he never saw them again. See CAVAZOS, *supra* note 22, at 11-13. But see Charles A. Intrigato & Robert A. Butterworth, *Fund Government With Dirty Money*, N.Y. TIMES, Apr. 27, 2009, at A23, available at <http://www.nytimes.com/2009/04/28/opinion/28intrigato1.html> (arguing

forfeiture laws infringe upon the United States Constitution,¹⁷⁸ several constitutional challenges to the validity of RICO, including those based on the First Amendment, double jeopardy, the Eighth Amendment, equal protection, due process, vagueness, and the Tenth Amendment, have been largely unsuccessful.¹⁷⁹ For the most part, when balancing constitutional guarantees against the need to combat crime, the constitutional rights argument has taken a back seat to crime-fighting tools utilized by the government against defendants.¹⁸⁰

As a result, new laws mandating the forfeiture of criminal defendants' property have been created, and the existing forfeiture laws have been armed with more teeth by way of amendment. For example, in 1984, Congress passed the Comprehensive Forfeiture Act¹⁸¹ to enhance the use of forfeiture as a sword for law enforcement officials in their ongoing efforts to combat racketeering activities.¹⁸² The Act also added "dealing in obscene matter" in violation of state or federal law as a new predicate offense available for a RICO indictment.¹⁸³ A little over a decade later, passage of the Anticounterfeiting Consumer Protection Act of 1996 made both copyright and trademark counterfeiting a predicate offense under RICO.¹⁸⁴ Pursuant to these broad-sweeping amendments, forfeiture orders often require the government to confiscate expressive materials, such as books, computer files, or videos; therefore, defendants have attempted to invoke their free speech rights under the First Amendment. "The rationale for treating [the forfeiture of] expressive [speech] materials differently than other property is the risk that their seizure will effect a 'prior restraint,'—an

that the DOJ and other local government agencies should utilize the current under-enforced asset forfeiture laws and "take back the wealth that criminals have stolen from taxpayers.").

¹⁷⁸ See, e.g., Kim, *supra* note 129, at 530; see Brian Nisbit, *What can RICO not do?: RICO and the Non-Economic Intrastate Enterprise that Perpetrates only Non-Economic Legal Activity*, 99 J. CRIM. L. & CRIMINOLOGY 509, 533 (2009).

¹⁷⁹ Holt & Davis, *supra* note 137, at 1003-07 (outlining several recent cases that have scrutinized RICO under these constitutional bases).

¹⁸⁰ Kim, *supra* note 129, at 562.

¹⁸¹ Pub. L. No. 98-473, §§ 302, 322, 98 Stat. 2040, 2057 (codified in Titles 18, 19, 21, 26 and 28, U.S.C. (1985)).

¹⁸² S. REP. NO. 98-225, at 192 (1984), *reprinted in* 1984 U.S.C.C.A.N. 3182, 3375.

¹⁸³ 18 U.S.C. § 1961(1)(A) (2006).

¹⁸⁴ Pub. L. No. 104-153, §§ 2, 3, 110 Stat. 1386 (1996) (amending 18 U.S.C. § 1961(1)(B)). With the passage of the 1996 Act, federal law now views individuals and organized criminal groups who deal in trafficking of counterfeit goods as racketeers subject to imprisonment, high fines, and "mandatory forfeiture of any interest the offender acquired or maintained through the RICO violation." See Sam Cocks, *The Hoods Who Move the Goods: An Examination of the Booming International Trade in Counterfeit Luxury Goods and an Assessment of the American Efforts to Curtail its Proliferation*, 17 FORDHAM INTELL. PROP. MEDIA & ENT. L. J. 501, 527 (2007).

abridgment of speech made prior to a judicial determination that the speech is not constitutionally protected.” Regardless, it is clear that, as a form of commercial speech, trademarks can be regulated by the government in order to deal with issues relating to the promotion of illegal goods and services.¹⁸⁵

For example, in 1993, the Supreme Court in *Alexander v. United States* unequivocally held that RICO forfeiture is neither impermissible as a prior restraint on speech nor unconstitutionally overbroad.¹⁸⁶ In *Alexander*, the defendant was an adult book seller who was convicted of violating federal obscenity laws and sections of RICO, and subsequently ordered to forfeit his business, which amounted to approximately nine million dollars in racketeering proceeds.¹⁸⁷ The defendant claimed that, because the forfeiture forced the closing of his adult entertainment business, it rose to an unconstitutional prior restraint on speech.¹⁸⁸ The Court rejected the defendant’s argument, holding that RICO is a permissible criminal punishment, not a prior restraint on speech.¹⁸⁹ The Court held that the forfeiture order did not preclude the defendant from engaging in free speech; it merely stopped him from funding his business by using assets derived from his prior racketeering activities.¹⁹⁰ The Court also rejected the defendant’s claim that RICO was overbroad, holding that the Act does not criminalize constitutionally protected speech and maintaining that the forfeiture provisions have no more of a “chilling” effect on free expression than threats of a prison term or a large fine—other punishments under RICO which are constitutional.¹⁹¹ The Court commented on the policy behind forfeiture under these circumstances, claiming that without it, racketeers would be able to evade punishment by simply “investing the proceeds of their crimes [into] businesses that engage in expressive activity.”¹⁹²

¹⁸⁵ See, e.g., *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm’n of N.Y.*, 447 U.S. 557, 566 (1980) (“For commercial speech to come within [the First Amendment], it at least must concern lawful activity”); *Bates v. State Bar of Arizona*, 433 U.S. 350, 383 (1977) (holding that a state can restrain advertising of illegal services). A comprehensive discussion of the Central Hudson line of cases can be found *supra* in Section IV(A).

¹⁸⁶ *Alexander v. U.S.*, 509 U.S. 544, 554 (1993).

¹⁸⁷ *Id.* at 547-48.

¹⁸⁸ *Id.* at 549.

¹⁸⁹ *Id.* at 553.

¹⁹⁰ *Id.* at 550-51.

¹⁹¹ *Id.* at 555-56 (citing *Fort Wayne Books, Inc. v. Indiana*, 489 U.S. 46, 60 (1989)).

¹⁹² *Id.* at 552.

V. THE INJUNCTION ISSUED BY THE *CAVAZOS* COURT IS CONSTITUTIONALLY OVERBROAD

In conjunction with the indictments of Cavazos and other members of the Mongols, the U.S. Attorneys presented the *Cavazos* court with an Order Restraining Sale or Transfer of Trademark pursuant to Section 1963(d) of RICO.¹⁹³ The order, as originally drafted, had requested that “the defendants in the criminal action, and any of their agents, servants, employees, family members, and those persons in active concert or participation with them”: (1) preserve against sale, transfer, conveyance, or other disposal of the MONGOLS trademark; (2) be enjoined from using or displaying the MONGOLS mark; and (3) “surrender for seizure of all products, clothing, vehicles, motorcycles, books, posters, merchandise, stationery, or other materials bearing the [MONGOLS] trademark.”¹⁹⁴ On October 21, 2008, the court granted the government’s first and third requests, but denied the second, specifically striking the language enjoining use and display of the mark.¹⁹⁵

The following day, the United States petitioned the court for, and the court granted, an amended restraining order intending to clarify the October 21, 2008 order (the “Amended Order”), and to specifically spell out the seizure authority for items falling within the third category in order to “avoid potential confusion that might result in connection with the enforcement of the order.”¹⁹⁶ In the Amended Order, the U.S. Attorneys set forth a specific protocol that law enforcement officers will use to seize and process trademarked items pursuant to the third section of the original order.¹⁹⁷ Specifically, a copy of the Amended Order

will be distributed to law enforcement agencies in areas where Mongols are believed to be active. The agencies will be advised that a person within the scope of the order [a group expected to consist mostly, but not solely, of members of the Mongols gang] is in possession of a [trademarked] item, shall be provided a copy of the [A]mended [O]rder and asked to surrender the item. If the

¹⁹³ Ex Parte Application for Amended Post-indictment Restraining Order, United States v. Cavazos, No. 2:08-cr-1201 (C.D. Cal. Oct. 22, 2008) [hereinafter Ex Parte Application], available at <http://randazza.files.wordpress.com/2008/10/mongols-application-and-order.pdf> (last visited on March 5, 2010).

¹⁹⁴ *Id.* at 7-9.

¹⁹⁵ *Id.* at 8, 11.

¹⁹⁶ *Id.* at 2, 3.

¹⁹⁷ *Id.* at 4.

subject refuses to voluntarily surrender the item, the officer shall be permitted to seize the item.¹⁹⁸

In either instance, the subject will be provided with a written receipt identifying the ATF custodian designated to take custody of the item. The officer will also gather personal information from the subject and prepare a report detailing the circumstances of the seizure.¹⁹⁹ After cataloguing the seized items, the ATF custodian will bring them to the court for further forfeiture proceedings pursuant to Section 1963 of RICO and Section 853 of the Criminal Drug Forfeiture Statute.²⁰⁰ In the last paragraph of the Amended Order, the government stated its belief that the procedures outlined in these protocols “will prevent unnecessary and time-consuming challenges concerning the intent and scope of the . . . order, and provide reasonable protections to law enforcement officers who follow the protocols”²⁰¹

While it is clear from the previous discussion in Section III of this Article that RICO allows for the seizure of intangible assets that are used in connection with crime from their owners without running into substantial obstacles under the Lanham Act or the Constitution, parts of the Amended Order issued by the *Cavazos* court contain excessive government measures against potentially innocent individuals that not only go beyond the intent of the RICO seizure statutes, but also offend the principles of free speech granted by the First Amendment.

A. *First Amendment Protection of Trademarks as Commercial Speech*

Protection against government intrusion of the rights of United States citizens to articulate expression of their viewpoints, however distasteful or morally reprehensible, is grounded in the First Amendment of the Constitution, which provides that “Congress shall make no law . . . abridging the freedom of speech”²⁰² “Prior to 1975, commercial speech was generally thought to lack any First Amendment protection.”²⁰³ After the Supreme Court invalidated a Virginia statute criminalizing advertising of abortion services in *Bigelow*,²⁰⁴ it is now undeniable that the

¹⁹⁸ *Id.*

¹⁹⁹ *Id.*

²⁰⁰ *Id.* at 4-5.

²⁰¹ *Id.*

²⁰² U.S. CONST. amend. I.

²⁰³ Jeffrey Lefstin, *Does the First Amendment Bar Cancellation of REDSKINS?*, 52 STAN. L. REV. 665, 672 (2000).

²⁰⁴ *Bigelow v. Virginia*, 421 U.S. 809 (1975).

First Amendment specifically protects commercial speech from unwarranted governmental regulation because the dissemination of expression for commercial purposes not only serves the economic interest of the speaker, but also assists consumers by allowing them to be well informed by keeping the channels of communication open to them.²⁰⁵ It is equally clear that a trademark is an important part of commercial speech and, thus, entitled to limited First Amendment protection because trademarks act as “valuable packets of information” for consumers to be the recipients of communication that serves to identify, distinguish, and convey origin.²⁰⁶ Accordingly, “[u]nder the Supreme Court’s commercial speech jurisprudence, the government can restrict commercial speech only when certain conditions are met” and when such restrictions are “justified in light of the First Amendment.”²⁰⁷

In 1980, the Court announced in *Central Hudson*²⁰⁸ the modern standard for assessing government restrictions on commercial speech that is currently in force. In *Central Hudson*, the city of New York ordered electric utilities in the entire state to cease all advertising promoting the use of electricity based on its finding during the oil crisis of the late 1970s that “the interconnected utility system in New York State does not have sufficient fuel stocks or sources of supply to continue furnishing all customer demands for the 1973-1974 winter.”²⁰⁹ *Central Hudson Gas & Electric* challenged that the regulation was a prior restraint on commercial speech under the First and Fourteenth Amendments.²¹⁰ The Court found that the regulation did, indeed, exceed the government’s authority to regulate speech; however, the Court also noted that “[t]he Constitution . . . accords a lesser protection to commercial speech than to other constitutionally guaranteed expression.”²¹¹ The Court formulated a four-part test for determining whether regulations on commercial speech can be upheld constitutionally; however, its holding made it clear that the government may regulate commercial speech freely to deal with the promotion of illegal goods and services, claiming that for commercial speech to even come within the parameters of First Amendment protection,

²⁰⁵ *Va. Pharmacy Bd. v. Va. Citizens Consumer Council*, 425 U.S. 748, 761-62 (1976).

²⁰⁶ *Baird*, *supra* note 122, at 689-90.

²⁰⁷ Scott Danner, *Not Confused? Don't Be Troubled: Meeting the First Amendment Attack on Protection of "Generic" Foreign Geographical Indications*, 30 *CARDOZO L. REV.* 2257, 2270 (2009).

²⁰⁸ *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of N.Y.*, 447 U.S. 557 (1980).

²⁰⁹ *Id.* at 558-59 (internal quotation omitted).

²¹⁰ *Id.* at 560.

²¹¹ *Id.* at 562-63.

“it at least must concern lawful activity and not be misleading.”²¹² Consequently, if the government regulation is applied to unlawful or misleading activity, it will not violate the First Amendment even if the governmental restriction is a direct and complete prohibition.²¹³

1. *Analyzing Cavazos Under The Central Hudson Test.* In applying the *Central Hudson* analysis to the Amended Order in *Cavazos*, it is evident that the first part of the court’s mandate authorizing government seizure of the MONGOLS registered mark as an intangible asset is a government action that reasonably attempts to regulate commercial speech that is being used in connection with offering goods and services in connection with illegal activities and purposes. This assertion is in keeping with other holdings that speech can be restricted if it promotes an illegal act.²¹⁴ Because the Mongols Nation is an organization that unabashedly promotes unlawful acts of violence and other criminal behavior,²¹⁵ and uses its trademarks to promote such behavior as well as to engender sales of merchandise ultimately used to protect members of its organization who overtly engage in such activities, the defendants in *Cavazos* would be hard pressed to argue that this is the type of informative communication that deserves even limited protection under the First Amendment under the Supreme Court test announced in *Central Hudson*. Therefore, in conjunction with the public policy objectives of RICO as applied to the *Central Hudson* test, the seizure of the MONGOLS registration should not be viewed as an impermissible prior government restraint on commercial speech.

But the *Cavazos* court’s holding in the Amended Order did not stop at merely seizing the registered MONGOLS trademark; its order reaches

²¹² *Id.* at 566. The initial question is whether the expression is protected by the First Amendment at all. Commercial speech that does not concern lawful activity or is misleading fails the first prong at the outset. If the speech in question passes the first prong, the next question to ask is whether the asserted governmental interest is substantial. If so, the court will next determine whether the regulation directly advances the governmental interest asserted and, fourth, whether it is not more extensive than is necessary to serve that interest. *Id.*

²¹³ See Baird, *supra* note 122, at 698.

²¹⁴ See, e.g., *Nat’l Soc’y of Prof’l Eng’rs v. United States*, 435 U.S. 679, 698 (1978) (holding that the lower court did not violate the First Amendment when ordering an organization not to adopt any opinion, policy, or statement regarding the ethics of competitive bidding after the organization’s canon of ethics was found to have violated the Sherman Antitrust Act).

²¹⁵ In *Cavazos*’ book, he openly claims that “in my world, if you let the law tell you how to live your life and what to do, you lose respect . . . [s]o we stand up to the law . . . and that’s exactly what the police and the Feds can’t stand.” See CAVAZOS, *supra* note 22, at 11.

beyond the liability of the enterprise of the Mongol Nation under RICO and serves to punish any individual member of the club, along with their family members, and other persons in active participation with them.²¹⁶ Taken to an extreme, the Amended Order can be utilized to allow a police officer to stop the wife of a Mongol member—or any member of society not at all related to a particular member—who happens to purchase a MONGOLS t-shirt or hat online or from a second-hand store, and seize that merchandise on the spot. Considering that “old ladies” of OMG members are often allowed to brandish certain colors of the OMG to which their husbands are a patron²¹⁷, such women who are more often the victims of the OMG than the perpetrators of offenses committed by these groups will also be highly likely to be directly affected by this harsh injunction. Moreover, it is not inconceivable that items of MONGOLS merchandise are commonly worn by people entirely unrelated to the club, including young adults who will soon be able to purchase said items online and may wish to do because they are artistically attracted to the MONGOLS mark and logo or any reason entirely irrelative to the racketeering acts and ideological philosophies of the OMG. In short, your own child can easily be the target of police seizure under the current wording of the Amended Order in *Cavazos*. Whether or not the old lady or the child is in active participation with the OMG must, undoubtedly, be determined at a later time subsequent to his or her invasion of rights by the police seizure.

2. *Cavazos Implicates the Noncommercial Speech Rights of Individuals.* The assertion made in this Article that the third portion of the *Cavazos* court’s Amended Order is overly broad must be analyzed by a different line of Supreme Court cases than the *Central Hudson* standard since it deals with sanctioning of speech that is not used primarily for the communication of commercial activities.²¹⁸ Whereas restrictions on commercial speech in a nonpublic forum such as the trademark register in the PTO are analyzed using an intermediate level of scrutiny as required pursuant to *Central Hudson* and its progeny, a government regulation that is content-based, or favoring one message or form of speech over another in the public marketplace of ideas, even when that message is offensive or disagreeable, has been traditionally viewed as problematic and touches the

²¹⁶ Ex Parte Application, *supra* note 193, at 3-11.

²¹⁷ YVES LAVIGNE, HELL’S ANGELS: “THREE CAN KEEP A SECRET IF TWO ARE DEAD” 115 (2000).

²¹⁸ Gibbons, *supra* note 121, at 225 (stating that when “the mark is part of the message,” it must be entitled to a higher level of protection than that offered to mere commercial speech).

very core of protection of individual expression intended to be afforded by the First Amendment.²¹⁹ Consequently, in “traditional public fora available for the exchange of ideas, like streets, parks, and sidewalks, the government may exclude speech on the basis of its content only if the exclusion is narrowly tailored and serves a compelling government interest.”²²⁰ Admittedly, however, determining when a government regulation is content-based or content-neutral is often a complicated task.²²¹

While courts and commentators have claimed in the past that trademarks are purely commercial speech because there is no intent to use the trademark to communicate any idea “apart from solicitation for a commercial transaction”,²²² a more contemporary approach has taken the view that trademarks, when used in certain contexts, can convey noncommercial speech of the consumer rather than commercial speech of the owner of the mark.²²³ Justin Hughes and Daniel Newman believe that the fact that people use and value branded merchandise as a way to “signal to one another attributes . . . associated with the logo”, then disassociating people from such social images “imposes harm on society” since trademarks and logos today are essentially tools for people to communicate with each other, apart from the underlying traditional economic investment of the trademark owner.²²⁴ Likewise, Llewellyn Joseph Gibbons has observed that, in addition to merchants and trademark owners who use their marks for traditional commercial purposes of advertising and source identification, these same marks serve a dual purpose for noncommercial entities, *i.e.*, members of the general public display the mark itself in order to convey “a message of pride to their membership” within the organization that legally owns the mark.²²⁵ In specifically applying this contemporary

²¹⁹ Voskanyan, *supra* note 112, at 1305-06.

²²⁰ *Id.* at 1296 (citing *Perry Educ. Ass’n v. Perry Local Educators’ Ass’n*, 460 U.S. 37, 45 (1983) and *Carey v. Brown*, 447 U.S. 455, 461 (1980)).

²²¹ Eric C. Chaffee, *Sailing Toward Safe Harbor Hours: The Constitutionality of Regulating Television Violence*, 39 U. MICH. J.L. REFORM 1, 13 (2005).

²²² See, e.g., Kim Chandler Johnson & John Terrence Eck, *Eliminating Indian Stereotypes From American Society: Causes and Legal and Societal Solutions*, 20 AM. INDIAN L. REV. 65, 96 (1996).

²²³ Daniel E. Newman, *Portraying a Branded World*, 2008 U. ILL. J. L. TECH. & POL’Y 357, 359-60 (2008) (citing recent cases in which courts “recognize that people are free to use trademarks for expressive purposes.”).

²²⁴ *Id.* at 363-64; see also Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777 (2004) (arguing that the extension of trademark law to Internet search engines, directories, and third parties who use marks as classification tools poses a grave threat to speech and threatens the dissemination of truthful information); Justin Hughes, *“Recoding” Intellectual Property and Overlooked Audience Interests*, 77 TEX. L. REV. 923, 956-57 (1999).

²²⁵ Gibbons, *supra* note 121, at 191. Gibbons claims that, whereas in the early history of

perspective of how individuals communicate via symbols in society, Graeme Dinwoodie has taken a teleological approach to the matter by contending that, in order to regulate the present-day marketplace effectively, trademark law must recognize the limitless sources of meaning and “must confront the post-modern reality that meaning arises from context and experience rather than from the intrinsic essence of matter.”²²⁶

Collective marks, in particular, play a significant role in maintaining the identity of the organization that owns the mark, the value of which exists not only in the association between the ideas, values, and beliefs of the organization, but also in the use of the mark itself by members of the organization.²²⁷ Because collective trademarks are cultural symbols or “semiotic” signs of human interaction, their meanings are subject to change over time, as the individual identities represented by the marks “are fluid and formed through social processes.”²²⁸ Even though the mark owner decides the initial semiotics of the mark and can limit the possibility of meanings the mark might obtain, the consumer is the “ultimate arbiter of meaning” ascribed to the mark over time and through use can incorporate new and different meanings not originally ascribed by the owner.²²⁹ Once public affinity with a mark is attained, some groups “will apply their own meaning to a trademark and use the logo in a personal way”; others will retain the mark’s original meaning to define themselves.²³⁰

For the above reasons, the scholars mentioned in this Article and others believe that speech that is publicly displayed on a t-shirt or other expressive merchandise should be characterized as pure, noncommercial speech entitled to much higher levels of scrutiny under the First Amendment than the test for pure commercial speech set forth in *Central Hudson*.²³¹ Modern sociologists would agree that people need symbols and

trademark law, “one could naively claim that a trademark’s only function was to indicate source, origin, or sponsorship,” trademarks over time have since “lost that innocence,” as the purpose of trademarks has expanded to the point where consumers “use marks as symbols” and the underlying product or service is of secondary concern. *Id.* at 192.

²²⁶ Graeme B. Dinwoodie, *The Death of Ontology: A Teleological Approach to Trademark Law*, 84 IOWA L. REV. 611, 613-15 (1999) (claiming that we can no longer employ generalized and static assumptions regarding the meanings of words and symbols used by members of society because “postmodern thought challenges the notion that meaning is determined by overarching truths, and instead exalts the theory that individuated meaning ensues from particular contexts” as society continually becomes “more visual and less lexical.”).

²²⁷ Simon, *supra* note 107, at 240.

²²⁸ *Id.* at 240-41.

²²⁹ *Id.* at 245-48.

²³⁰ Newman, *supra* note 223, at 363.

²³¹ See, e.g., Wendy J. Gordon, *A Property Right in Self-Expression: Equality and*

products to convey social meaning about themselves, and the relative “stability of a brand image facilitates [this type of] social signaling between people because there is little confusion about what message the wearer is attempting to convey.”²³²

Applying these modern theories of trademark law to the *Cavazos* case, it is clear that the court’s Amended Order is not narrowly tailored to protect the free speech rights of individual, non-members of the Mongol Nation to freely associate in the traditional public fora by displaying an item of MONGOLS merchandise. While, arguably, the court can cite a compelling government interest in mandating forfeiture of the registered mark from the entity based on the defendants’ violations of racketeering laws pursuant to the letter and spirit of RICO, the prosecutors involved in the case have all but admitted that it is the very identity of the Mongol Nation and its members that it wishes to invade, and it achieves this goal by providing a wieldy tool for local law enforcement officers to effectively harass potentially innocent members of society and strip them of their right of association with the MONGOLS moniker.

Although, arguably, innocent owners of MONGOL merchandise may evoke the innocent owner defense under RICO, such an act is not only impracticable, but it is also fundamentally unfair because the person whose property was seized would be relegated to petition his or her case before the court, which would require a vast amount of time and resources. It is also unlikely that Congress intended the RICO forfeiture provisions to sweep so broadly as to encompass t-shirts validly purchased by third parties.²³³ Moreover, “RICO should be read to protect—not violate—the rights of innocent third parties.”²³⁴

In addition to offending the First Amendment, the third part of the *Cavazos* Amended Order also runs afoul of a trademark principle known as the first sale doctrine. The first sale doctrine allows the purchaser of lawfully trademarked goods to offer, display, and even sell those goods

Individualism in the Natural Law of Intellectual Property, 102 YALE L.J. 1533, 1583-91 (1993) (providing a Lockean discussion of why copyright and other forms of IP law should be limited in order to allow for individuals to use works in the cultural commons in order to effectively express their identities and personal beliefs); Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 SMU L. REV. 381, 401-02 (2008) (arguing that because trademark laws restrict and often punish the free use of language, courts should increase First Amendment scrutiny of trademark law).

²³² Newman, *supra* note 223, at 366-67.

²³³ See Lindsey T. Mills, *Applying RICO to Street Gang Thugs: Using the Commerce Element to Keep Some Crimes Out of Federal Reach*, 81 TEMP. L. REV. 871, 874-75 (2008) (noting that Congress declared the purpose of enacting RICO was to impair the financial bases of groups that engaged in organized crime).

²³⁴ Blakey & Roddy, *supra* note 152, at 1572.

bearing their original trademark.²³⁵ The purpose of the doctrine is to allow private parties to maintain the freedom to use the purchased item in the way they see fit and contract freely for conditions of post-sale.²³⁶ The first sale doctrine is a limitation on the rights of a trademark owner found in the Lanham Act for the purpose of encouraging dissemination of information about the goods and services branded with the marks to the lawful purchasers of such goods and services.²³⁷ “[A] trademark owner’s authorized initial sale of its products [bearing its mark] into the stream of commerce extinguishes the trademark owner’s rights to maintain control over who [subsequently] buys, sells, and uses the product in its authorized form.”²³⁸ Therefore, post-sale use of brand merchandise that has been lawfully purchased should be immune to any claims that the owner of the mark can re-take any such items from the consumer.²³⁹ Even if the government or a third party ends up as valid owner of the MONGOLS mark, the first sale doctrine should be applied to bar any action of such owner to seek out members of the public who lawfully purchased a MONGOLS item and seize that item, regardless of the RICO convictions involving the mark, which have no relation to use of the mark by innocent third parties.

B. The Marketplace Should Dictate The “Sign Value” of Trademarks Owned by Outlaw Motorcycle Gangs

While one might argue that it is ultimately in the best interest of non-Mongol members *not* to associate openly with an OMG the likes of the Mongols, that determination is not for any court or government entity to make. Because the Lanham Act is a commercial statute that Congress codified pursuant to its powers under the Commerce Clause,²⁴⁰ the commercial marketplace should dictate the “sign value” of the MONGOLS

²³⁵ LAFRANCE, *supra* note 101, at § 3.11[B].

²³⁶ *Cf. Australian Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1240-41 (10th Cir. 2006) (explaining that the first sale doctrine only allows a producer to control the first sale of its trademarked products, but not any subsequent sales); and *Mallinckrodt, Inc. v. Medipart, Inc.*, 976 F.2d 700, 703 (Fed. Cir. 1992) (the court enforced a similar “first sale” rule in patent law by holding that “policy considerations require that no conditions be imposed on patented goods after their sale.”).

²³⁷ *See Dogan & Lemley, supra* note 224, at 795.

²³⁸ *See, e.g., Iberia Foods Corp. v. Romeo*, 150 F.3d 298, 301 n.4 (3d Cir. 1998).

²³⁹ *See Newman, supra* note 223, at 372 (applying a similar argument for unjust enrichment claims by trademark owner).

²⁴⁰ *See Tara J. Goldsmith, What’s Wrong With This Picture? When the Lanham Act Clashes With Artistic Expression*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 821, 829 (1997).

marks and other marks with potentially disparaging meaning.²⁴¹ If people come to view MONGOLS as disparaging due to the criminal behavior of some members of the OMG, then there will be severe economic consequences to the mark owner and individuals using such branded goods or services “may suffer reputation sanctions.”²⁴² “A trademark can lead consumers to expect a certain level of quality in the product to which it is affixed, presumably increasing sales or awareness of the product. Conversely, when consumers purchase a subpar product bearing that trademark and are disappointed, they respond by devaluing that trademark.”²⁴³ On the other hand, if the consumer is satisfied with his or her association with an OMG whose members may engage in certain acts and lifestyles, even if they do not necessarily always rise to the level of being criminal, he or she should be allowed to signify such an association.²⁴⁴

Without a doubt, different sects within a religious group or other organization (such as a motorcycle club) can disagree about their collective identity at various times and in certain situations and, thus, employ their own view of their individual association with that organization when displaying the logo.²⁴⁵ A free market approach will allow purchasers and wearers of OMG material, including merchandise displaying the MONGOLS mark, to dictate whether their association with the club is offensive “without imposing the government’s viewpoint of morality on the market place and without treading dangerously close to impairing free commercial speech in the process.”²⁴⁶ In effect, if those members of OMGs who claim they are not criminal wish to associate with others who are, they ought to be the arbiters of their own destiny and be allowed to exercise their own free will to do so without government interference.²⁴⁷ Moreover, in

²⁴¹ See Gibbons, *supra* note 121, at 216 (asserting a similar proposition in the determination of whether marks are considered scandalous under Section 2(a) for purposes of registration).

²⁴² *Id.* at 216-17; see also *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1430 (7th Cir. 1985) (“The value of a trademark is in a sense a ‘hostage’ of consumers; if the seller disappoints the consumers, they respond by devaluing the trademark.”).

²⁴³ *Caterpillar Inc. v. Walt Disney Co.*, 287 F. Supp. 2d 913, 921 (C.D. Ill. 2003).

²⁴⁴ See Goldsmith, *supra* note 240, at 828.

²⁴⁵ Simon, *supra* note 107, at 290.

²⁴⁶ Baird, *supra* note 122, at 799 (providing the example of the SAMBO’S service mark registration for restaurant services that was found so racially insensitive by the public, whose outrage ultimately led to affirmative abandonment of the mark in the PTO by its owner).

²⁴⁷ “People consume goods and services for more than utilitarian reasons; we use acquired goods to scale the last three rungs of Maslow’s pyramid (social needs, ego needs, and self-actualization.” Society does not have a reason “to value one set of preferences over another, so long as the consumer receives the satisfaction she wants from using the

addition to preserving free speech rights, allowing such commercial transactions to occur freely in society may actually aid members of the general public from choosing specifically not to associate with other members who brandish OMG marks, which can act as immediate signals of warning to them that they are in a vicinity where imminent illegal behavior may occur. By acting as an immediate indicator of an underlying service, well-known symbols like OMG trademarks undeniably serve a valuable function to assist people in their decision to partake in the services they wish to consume and associations they wish to make, but also to specifically choose not to partake.

The *Cavazos* Amended Order as currently written may also ultimately deflect the efforts of police officers who have been trained to spot specific gang signs in order to recognize a member of an OMG on sight. Law enforcement officers have acknowledged that gang members communicate in a variety of different ways, including nonverbal methods of exchanging thoughts such as graffiti, tattoos, stylized dress, and gang colors, which “effectively announce gang affiliation, issue challenges, and denote rank.”²⁴⁸ Yet, if they are able to enforce the terms of the broadly written injunction issued by *Cavazos*, removing from society’s view every item of MONGOLS branded merchandise, they will eventually not be able to so readily distinguish the “good” motorcycling clubs endorsed by the AMA from those of OMGs like the Mongols who will have been stripped of their identifying colors.

It is clear from the legislative history of RICO that the purpose of allowing seizure of assets, including intangible assets, from an enterprise engaged in racketeering activities is to deter illegal behavior and allow the government to divert the fruits of such behavior into the Fund for redistribution to crime fighting programs and objectives. Even if the *Cavazos* injunction is upheld on First Amendment principles, however, its enactment will not serve to further these goals of RICO. Presumably, when law enforcement officers literally strip the MONGOLS shirt from the back

advertised good. Laura R. Bradford, *Emotion, Dilution, and the Trademark Consumer*, 23 BERKELEY TECH. L. J. 1227, 1256 (2008).

²⁴⁸ BILL VALENTINE, GANGS AND THEIR TATTOOS: IDENTIFYING GANGBANGERS ON THE STREET AND IN PRISON vii (2000). During law enforcement training classes, photos and slides of gang member tattoos and other insignia “have proven invaluable when teaching large groups how to identify street and prison gang members.” Literally thousands of gang tattoo patterns have been catalogued and are being shared among police departments nationwide. *Id.* at viii. See also LEE BARNARD, UNDERSTANDING AND INVESTIGATING GRAFFITI 6-26 (2007) (explaining the origins of hate crime graffiti and the extensive programs offered to law enforcement officials to decipher types of anti-Christian, anti-Jewish, Satanic, and other forms of graffiti used by gangs to signify their identity).

of its owner, they will not subsequently sell the shirt for money to be deposited into the Fund—the shirt will be destroyed, along with the identity of its owner.

C. *Rivera v. Carter: The Central District of California Rules on the First Amendment Implications of its Seizure Order in Cavazos*

In an interesting turn of events on July 31, 2009, the Central District of California again had the opportunity to rule in another separate, but related matter, involving seizure of the MONGOLS mark in the case of *Rivera v. Carter*.²⁴⁹ In the wake of the *Cavazos* ruling, on May 15, 2009, plaintiff Ramon Rivera filed a Motion for Preliminary Injunction to prevent the government from seizing items of his personal property for the sole reason that they bear the MONGOLS mark that is the subject of the court's Amended Order in the *Cavazos* case.²⁵⁰ As a current member of the Mongols who has not been charged as a defendant in *Cavazos*, Rivera argued that he would be chilled and deterred from publicly wearing MONGOLS merchandise to display his individual "unity and brotherhood with his friends and fellow Club members,"²⁵¹ thus, arguing similar First Amendment principles that are asserted in Section IV of this Article.

Rivera's motion raised the following statutory issues for the court: (a) whether the provisions provided in RICO allow forfeiture of the MONGOLS collective mark under the circumstances of the indictment in *Cavazos*; and (b) even if MONGOLS is forfeitable, whether RICO authorizes seizure of property owned by third parties such as Rivera absent a showing that seizure is needed in order to preserve the availability of the mark for permanent government forfeiture.²⁵² After a lengthy discussion of the RICO seizure provisions, Judge Cooper, writing again for the court, seems to have overturned her previous Amended Order in *Cavazos* by stating that the government in *Rivera* failed to: (a) demonstrate that any forfeitable interest exists in the collective membership mark; and (b) address how seizure of goods bearing the MONGOLS mark is necessary to preserve the availability of the mark for forfeiture.²⁵³ The court was persuaded by the plaintiff's argument that because the *Cavazos* indictment does not charge the owner of the mark in question—the Mongol Nation—with any RICO violation, the government cannot seek forfeiture of this

²⁴⁹ *Rivera v. Carter*, Case No. 2:09-cv 2435-FMC-VBKx (C.D. Cal. 2009).

²⁵⁰ *Id.* at 4.

²⁵¹ *Id.* at 3 (stating that the plaintiff claimed that ATF agents have, in fact, seized MONGOL-branded items from other persons not charged in *Cavazos*).

²⁵² *Id.* at 6.

²⁵³ *Id.* at 14-18.

piece of property that technically belongs “entirely” to a third party non-defendant.²⁵⁴ This part of the court’s ruling—determining the proper defendants in a RICO violation for purposes of seizure—is beyond the scope of this Article; however, the second part of the order directly addresses the First Amendment arguments made in Section IV.

Although the *Rivera* court made it clear that it was ruling on the statutory grounds discussed above, it opted to make certain “observations” regarding the application of the First Amendment to the case. The court essentially set forth constitutional arguments similar to the ones asserted in this Article as to why the government’s ability to seize personal property bearing the MONGOLS mark acts as a prior restraint and will not be able to stand without a judicial determination that there is a compelling government interest in chilling such speech.²⁵⁵ While the court’s result is proper and in line with the First Amendment arguments made in this Article, its reasons for reaching this determination are not entirely in accordance with the Lanham Act principles that govern the First Amendment issues related specifically to trademarks as speech.

The court apparently changed its legal position regarding the improper breadth of the Amended Order based on information it claims it did not have before it at the *Cavazos* hearings. The court stated that the date of the hearing for *Rivera*’s Preliminary Injunction on June 22, 2009 was the first time that the government revealed that the MONGOLS mark it sought to forfeit in *Cavazos* was a collective membership mark, and that in its previous orders, the government referred to the mark “simply as a trademark.”²⁵⁶ Citing Section 1127 of the Lanham Act, the *Rivera* court went on to note that “[i]n contrast to commercial trademarks, which are used in commerce and generally not entitled to full First Amendment protections, collective membership marks are used by members of an organization to ‘indicat[e] membership in a union, an association, or other organization.’”²⁵⁷ Based on this reasoning, the *Rivera* court noted that the uses and displays of collective membership marks “directly implicate the

²⁵⁴ *Id.* at 11.

²⁵⁵ *Id.* at 22-23.

²⁵⁶ *Id.* at 20. In the first footnote of the order, the court correctly noted that the Mongol Nation is the owner of two marks in the PTO—one that is a collective mark for association services, and the other that is a design mark for use in connection with selling jackets and t-shirts. The court observed that, while the Amended Order in *Cavazos* applies only to the collective mark, the government has since sought to forfeit the second mark, as well. However, since the government has not moved for a post-indictment restraining order in connection with the design mark, the court makes it clear that the *Rivera* order only applies to the collective mark. *Id.* at 2 n.1.

²⁵⁷ *Id.* at 20.

First Amendment's right to freedom of association."²⁵⁸

The court's distinction between collective trademarks and "simple" trademarks that are not in the collective mark genus is irrelevant when addressing the free speech issues impacting members of society who display the MONGOLS mark on property they own. It is true that the Lanham Act categorically distinguishes collective trademarks from other trademarks, as discussed in Section II; however, when it comes to applying the First Amendment analysis to the rights of individuals to brandish clothing and other merchandise displaying trademarks, it matters not whether such marks are registered as collective marks or standard trademarks. Ironically, the merchandise that is the subject of the third part of the Amended Order in *Cavazos* is protected under the standard trademark owned by the Mongol Nation for use in connection with selling clothing, and *not* the collective service mark.²⁵⁹ In any event, it is clear after *Rivera* that the Central District of California recognizes the serious First Amendment implications of allowing the type of broad-based and nearly unrestricted government seizure of third-party property interests in merchandise bearing an OMG trademark allowed in *Cavazos*. The court should apply this same reasoning to *Cavazos* and future RICO seizure cases without distinction as to whether the underlying trademark registration is of a collective mark nature or not.

VI. SEIZURE OF THE MONGOLS MARK WILL NOT EFFECTUATE THE PURPOSE OF EITHER RICO OR THE LANHAM ACT

This Article has discussed why the injunction allowing federal officials to seize goods previously purchased by potentially law-abiding Mongol members and other members of the general public runs afoul of First Amendment principles. Even though it is clear that the portion of the *Cavazos* court's injunction mandating forfeiture of the economic asset that comprises the trademark registration itself from the offending Mongol Nation enterprise is likely to be upheld on constitutional grounds, this section of the Article will argue that, nonetheless, such an act should ultimately be avoided since it will not serve the purposes of either RICO or the Lanham Act with respect to ownership and control of economically driven intellectual property assets.

While it is clear from the *Cavazos* court's Amended Order that the government plans to seize and dispose of the MONGOLS trademark

²⁵⁸ *Id.*

²⁵⁹ See PTO Registration No. 2,916,965, *supra* note 62 and accompanying text.

registration in the PTO, what is less clear is what it plans to do with the registration once taken. In the wake of the MONGOLS seizure, the question to be asked, then, is not whether the government *can* seize an OMG's trademark but, rather, *should* the government engage in such seizures in the first place and, secondly, what the government is to do with those assets once removed from the offending organization. An analysis and comparison of past cases in which the government has seized trademarks owned by businesses other than OMGs pursuant to RICO will reveal that government seizure in the *Cavazos* case presents unique issues different than those seen in other cases and, ultimately, will not effectuate the purposes of seizure under RICO. Moreover, it would not be a transfer of a trademark asset that readily comports with the provisions of the Lanham Act.

A. *Government Seizure of Trademarks of Other Businesses Under RICO*

Prior to the recent government seizure of the MONGOLS trademark, none of the recent indictments of OMGs have led to the confiscation and seizure of trademarks or other intellectual property assets. While the government does not have a history of seizing trademark assets from OMGs, it has used the seizure provisions of RICO to take over ownership rights of trademarks used in other businesses. For example, in 1999 the trademark MUSTANG RANCH which had been used in connection with legal brothel services in Nevada since 1955 was seized from owner A.G.E. Corp. after a jury found the corporation guilty of racketeering and bankruptcy fraud.²⁶⁰ A.G.E. Corp. purchased the ranch at auction after the government had previously seized it from its original owner, Joe Conforte, in 1990 for unpaid taxes, after which time Conforte fled the United States in order to escape prosecution on these tax evasion charges.²⁶¹ The 1999 seizure was based upon a ruling that the ranch and other various properties were owned by two shell companies that were set up solely to hide the identity of the real owner, "fugitive brothel baron Joe Conforte."²⁶²

²⁶⁰ Daniel L. Kegan, *Probate Trademarks: Death, Reincarnation, and Survival of Intellectual Property Rights*, ISBA SECTION ON INTEL. PROP. L., Oct. 2006, Vol. 46, No. 1, at 4, available at http://web.mac.com/macguide/iWeb/KeganLaw-Elan/Clipper_files/14-ProbateTm.pdf (last visited on March 3, 2010).

²⁶¹ Ed Vogel, *Mustang Ranch Forced to Turn Off the Red Light*, LAS VEGAS REVIEW-JOURNAL, Aug. 10, 1999, available at http://www.reviewjournal.com/lvrj_home/1999/Aug-10-Tue-1999/news/11726460.html. For a detailed summary of Conforte's opening of "Nevada's most famous brothel" in the 1950s, as well as the controversial history of legalized prostitution in the state which led to several attempts by politicians to close Mustang Ranch throughout the years that Conforte owned the brothel, see THE MAVERICK SPIRIT: BUILDING THE NEW NEVADA 217-23 (Richard O. Davies ed., 1999).

²⁶² Tom Gardner, *Jury Orders Mustang Ranch Turned Over to Federal Government*, LAS

Although Conforte's ownership interests in Mustang Ranch had been effectively dissipated after these combined federal actions, the Bureau of Land Management auctioned the real estate assets of the ranch along with the rights in the MUSTANG RANCH trademark on eBay to Lance Gilman for a price of \$145,100 in 2003.²⁶³ But the trademark saga over the rightful ownership of MUSTANG RANCH was just about to begin. A few short months after Gilman moved the pink stucco buildings that comprised Mustang Ranch a short distance next to his Wild Horse Adult Resort & Spa, rival brothel owner David Burgess (nephew of Sally Conforte, the late wife of Joe Conforte) and his wife Ingrid Burgess sued Gilman over the trademark to "the best-known little whorehouse in the West,"²⁶⁴ arguing that they were the rightful owners of MUSTANG RANCH because it had been abandoned by the federal government for non-use during its ownership of the property from 1999-2003 and the plaintiffs had been using it in conjunction with their own brothel during and after this period.²⁶⁵

The case presents a classic problem present in the sale of trademarks—a mandate that the business associated with the goods or services of the mark is concurrently transferred along with the goodwill of the mark.²⁶⁶ Although a trademark may be validly assigned without the simultaneous transfer of any specific tangible assets of the business if the new owner of the mark continuously produces goods or offers services of the same quality and nature previously associated with the mark,²⁶⁷ a clear requirement arising from this principle is that a trademark cannot be used by a transferee in connection with fundamentally dissimilar goods and services as that of the transferor.²⁶⁸ The same rule applies where trademark transfers are involuntary, as they are pursuant to RICO-mandated forfeiture

VEGAS SUN, July 9, 1999, available at <http://www.lasvegassun.com/news/1999/jul/09/jury-orders-mustang-ranch-turned-over-to-federal-g/>. During the 1999 trial, the Justice Department charged that Conforte had used associates and front companies to repurchase the brothel at the auction and remain its secret owner. Vogel, *supra* note 261.

²⁶³ Kegan, *supra* note 260.

²⁶⁴ Martin Griffith, *Judge: Mustang Ranch Brothel Keeps Name*, WASH. POST, Dec. 16, 2006, available at <http://www.washingtonpost.com/wp-dyn/content/article/2006/12/16/AR2006121601138.html>.

²⁶⁵ Burgess v. Gilman, No. 3:03 CV 0707 ERC RAM, 2006 WL 449212, at *4 (D.Nev. Feb. 26, 2006).

²⁶⁶ See *Mister Donut of Am., Inc. v. Mr. Donut, Inc.*, 418 F.2d 838, 842 (9th Cir. 1969) ("The law is well settled that there are no rights in a trademark alone and that no rights can be transferred apart from the business with which the mark has been associated.").

²⁶⁷ *Money Store v. Harris Corp. Fin., Inc.*, 689 F.2d 666, 676 (7th Cir. 1982).

²⁶⁸ See *Defiance Button Machine Co. v. C & C Metal Prods. Corp.*, 759 F.2d 1053, 1059 (2d Cir. 1985).

provisions.²⁶⁹ Moreover, the Lanham Act provides that a mark shall be deemed to be “abandoned” by its owner when its *bona fide* use in the ordinary course of trade has been discontinued with intent not to resume such use.²⁷⁰ Intent not to resume may be inferred from certain circumstances, including actual nonuse of the mark for three consecutive years which shall be *prima facie* evidence of abandonment.²⁷¹

The requirement of non-abandonment in the transfer of marks from one entity to another is based upon the underlying theory of trademark law that a mark must consistently be used in commerce in connection with the offering and sale of its stated goods and/or services, or its owner will lose all rights in the mark.²⁷² It has been established at both common law and under the Lanham Act that, because ownership of a trademark does not exist except as a right appurtenant to an established business or trade in connection with which the mark is used, when a party discontinues its use of a mark it will cease to function as a trademark.²⁷³ This rule is based on the basic principle that a mark is not the subject of property in and of itself, but only in connection with an existing business.²⁷⁴ However, non-use in and of itself will not necessarily constitute abandonment of a mark, which requires that the cessation of use be coupled with an intent not to resume use in the near future.²⁷⁵

Applying these fundamental canons of trademark law, the district court in *Burgess* held that the non-use of MUSTANG RANCH by the federal government did not result in the mark being abandoned; therefore, Gilman was the rightful owner of a valid and subsisting MUSTANG RANCH trademark because the government’s period of nonuse “was likely caused by a slow-moving bureaucracy’s attempts to obtain control over and assess its newly acquired assets, determine what it could and could not use, transfer the useful portions to the appropriate government agency, and ultimately sell the mark and its goodwill to a party who did intend to use the mark for brothel services as soon as it was able to relocate the property.”²⁷⁶ The Ninth Circuit recently upheld this ruling in 2008, stating

²⁶⁹ See *Am. Dirigold Corp. v. Dirigold Metals Corp.*, 125 F.2d 446, 453 (6th Cir. 1942).

²⁷⁰ 15 U.S.C. § 1127 (2006).

²⁷¹ See *id.*

²⁷² See *LaFrance*, *supra* note 101, at § 2.04.

²⁷³ *Id.* (citing *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918)).

²⁷⁴ *Id.* at § 3.11[A].

²⁷⁵ *Natural Answers, Inc. v. SmithKline Beecham Corp.*, 529 F.3d 1325, 1329 (11th Cir. 2008) (stating that in order to prove abandonment of a mark, it must be shown (1) that the owner has ceased using the mark; and (2) that he has done so with a definite intent not to resume its use).

²⁷⁶ *Burgess v. Gillman*, No. 3:03 CV 0707 ERC RAM, 2006 WL 449212, at *7 (D.Nev.

that the goodwill associated with MUSTANG RANCH was “intact” at the time of the government’s assignment and was properly transferred at the sale to the Gilman entities, which subsequently associated the mark with similar services.²⁷⁷

B. Unique Problems Associated With the Seizure of Marks Used by Organized Motorcycle Gangs

Although it appears that the facts of the MONGOLS case on their face are substantially the same as those of the MUSTANG RANCH case and other cases where the government has seized assets of clubs whose owners have engaged in illegal acts,²⁷⁸ a further examination will reveal that the government will not be able to effectively manage the MONGOLS trademark assets in the same way it did those of the brothel’s assets post-forfeiture and seizure under either RICO or the Lanham Act. There are three main problems associated with the government’s recent seizure of the MONGOLS mark in this regard. First, whereas the forfeiture of real and tangible property such as motorcycle clubhouses, vehicles, guns, and other assets owned by OMGs and used in furtherance of crimes under RICO is readily disposable and can be quickly sold and turned into ready profit for the Fund, the value of trademarks is realized by ongoing use and a continuing profit stream. Second, even if the government were to auction the MONGOLS mark to a subsequent owner who presumably will use the mark in connection with legal motorcycle services, such a phenomenon may result in abandonment of the mark similar to the plaintiffs’ argument in *Burgess* if it is not sold in a timely fashion and/or if it is not used by the subsequent owner consistently in connection with the *bona fide* sale of substantially the same goods and services in commerce. Additionally, the sale of MONGOLS to a non-OMG motorcycle club, ironically, would ultimately lead not only to consumer confusion, but also to consumer

Feb. 26, 2006) (ruling that the plaintiffs had not proved abandonment as a matter of law).

²⁷⁷ *Burgess v. Gilman*, 316 Fed. App’x 542, 544 (9th Cir. 2008).

²⁷⁸ In addition to the Mustang Ranch, the federal government has seized assets of other famous sex clubs in the past. In 2007, the assets of Las Vegas gentlemen’s club “Crazy Horse Too” were seized after two previous owners, Rick Rizollo and Mike Signorelli were each found to have evaded federal employee taxes at the restaurant; since the seizure, the U.S. Marshals Service has had little luck trying to sell the club. See Jeff German, *Second Crazy Horse Too Operator in IRS Hot Water?*, LAS VEGAS SUN, Jan. 22, 2009, at 3, available at <http://www.lasvegassun.com/news/2009/jan/22/second-crazy-horse-too-operator-irs-hot-water/>; see also *United States v. Power Co.*, No. 2:06-CR-00186-PML-PAL, 2008 WL 612207 (D.Nev. 2008); Jeff Leeds, *A Sunny Street’s Shady Side*, LA TIMES, July 23, 1999, at A1, A13, available at <http://articles.latimes.com/1999/jul/23/news/mn-58802?pg=>.

danger. Third, if the government were to maintain its rights in the mark, it would have to continuously act as a prudent owner and licensor of the mark, a role that the government is not best suited to play under the circumstances of *Cavazos*. The following sections will discuss each of these issues in more detail.

1. *Trademarks Are Not Property Assets Readily Disposable by the Government.* The first problem with government seizure of a trademark stems from the fundamental difference between an asset of real property (like an OMG clubhouse or a motorcycle used to transport illegal substances) and an intellectual asset (like the MONGOLS registered trademark).²⁷⁹ The law of property has historically divided the legal protections afforded to tangible property and intangible property rights due to the fact that tangible property derives its value from being inherently exclusive and physically useful, whereas intangible property is only worth the value of the information it represents.²⁸⁰ Unlike forms of tangible property such as houses or cars, the nature of intangible property means that its use and value may not be tied to physical possession.²⁸¹ In fact, since true possession of intangible property is impossible, “possession” is basically a word relevant to tangible property only.²⁸²

Because trademarks are assets of intangible and ongoing informational value to the consumer, as outlined in Section II(B) above, they do not readily lend themselves to seizure and resale for deposit into the Fund in the same way that tangible, real property would in order to further the goals of RICO in providing ready funds for redistribution in order to recoup the costs of the racketeering crimes. In general, the value of a trademark does not lay merely in a lump sum of money that can be obtained by a quick auction and sale of the asset by the U.S. Marshal similar to how an item of tangible property does.²⁸³ Specifically, the potential ongoing

²⁷⁹ David Nelmark, *Virtual Property: The Challenges of Regulating Intangible, Exclusionary Property Interests Such as Domain Names*, 3 NW. J. TECH. & INTELL. PROP. 1, 11-13 (2004) (analyzing the different legal ownership rights in tangible and intangible property, and noting that some types of property, such as illegal drugs, cannot be owned at all).

²⁸⁰ Noah M. Shottenstein, *Of Process and Product: Kremen v. Cohen and the Consequences of Recognizing Property Rights in Domain Names*, 14 VA. J.L. & TECH. 1, 5 (2009).

²⁸¹ *Id.* at 19.

²⁸² David Gray Carlson, *Critique of Money Judgment (Part Two: Liens on New York Personal Property)*, 83 ST. JOHN'S L. REV. 43, 193 (2009).

²⁸³ “It is a matter of black letter law that trademark rights are a function of a party’s use of a mark in connection with particular products or services.” Mark P. McKenna, *The Normative Foundations of Trademark Law*, 97 TRADEMARK REP. 1126, 1170-71 (2007).

value of the MONGOLS mark will ultimately result from continuity in licensing and merchandising programs, as well as the ability of its owner to assert its exclusive rights to use that mark against unauthorized third parties in the form of trademark infringement suits of the type that the Hells Angels have instituted in recent years.²⁸⁴

Additionally, in seizing a trademark, the government must be cognizant of the fact that the modern value and meaning of trademarks are inextricably linked to their informational uses by consumers to identify with the association who owns the mark and to engage in free speech activities, as opposed to the value of tangible property that rests in the possession of the physical *res*.²⁸⁵ Therefore, any seizure order regarding a mark like MONGOLS would have to address the attendant First Amendment concerns which, as discussed in Section IV of this Article, is no easy task.²⁸⁶ Whereas the government can physically seize a motorcycle or piece of property and auction that property for sale to a person or entity entirely unrelated to the racketeering enterprise's former behavior, as will be discussed in the following sections, trademark assets do not enjoy such luxury.

2. *Government Sale of MONGOLS to Another Motorcycle Association will Cause Consumer Confusion.* In the event that the government elects to offer the seized trademark assets of the Mongol Nation at auction to a buyer who would use the mark moving forward in connection with legitimate services as it did in the MUSTANG RANCH case, such a decision will not serve to effectuate the intent of the Lanham Act to avoid consumer confusion in the marketplace.²⁸⁷ In fact, this action would only serve to

²⁸⁴ Trademark, which originally was used to identify the maker of a good or offer of a service, has evolved into a valuable business asset which, when effectively nurtured over time, enhances the bottom line profits of an owner. See David D. Mouery, *Trademark Law and the Bottom Line—Coke Is It!*, 2 BARRY L. REV. 107, 141 (2001).

²⁸⁵ Removing rights in an established mark would significantly inhibit the ability of the public to recognize the mark as connected with the good or service it represents, as well as impairing the individual consumer's decision to make a social statement about his or her allegiances or connections with the source/owner of the mark. See Ian Botnick, *Honoring Trademarks: The Battle to Preserve Native American Imagery in the National Collegiate Athletic Association*, 7 J. MARSHALL REV. INTELL. PROP. L. 735, 747-748 (2008).

²⁸⁶ See Dinwoodie, *supra* note 226, at 617 (claiming that reconciling the post-modern reality of how trademarks operate as societal symbols of communication and protecting the nontraditional matter that trademarks assume to members of society who do not traditionally own the mark may give rise to very different consequences than protecting traditional trademark subject matter).

²⁸⁷ Bradford, *supra* note 247, at 1241 (observing that the purpose of trademark law is to minimize public confusion by prohibiting acts that cause consumers to make unintended purchases because they were provided with incorrect information).

cause confusion where confusion did not formerly exist. Presumably, the government would not sell the MONGOLS mark to another OMG like the Hells Angels since such an act would be contrary to the very motive of the government in seizing the mark from the Mongol Nation in the first place, *i.e.*, punishing illegal acts and utilizing assets of an illegal enterprise for purposes related to the development of the Fund and not as a furtherance of continued illegal behavior by yet another third-party OMG. The “catch 22,” then, is that if the government transfers the mark to a different, law-abiding motorcycle club, such a transfer would legally be viewed as an abandonment of the rights in the mark because consumers who have come to expect a certain type of service, albeit concerning deviant and illegal acts, would be confused as a result of the government transfer.

It is well-settled under the Lanham Act that, in the case of a service mark, confusion among the public and consumers will result if an assignee offers a service different from that offered by the assignor of the mark.²⁸⁸ Courts such as the *Burgess* court, however, have upheld assignments of marks only if they find that the assignee is performing a service substantially similar to that of the assignor and that the consumers would not be deceived or harmed.²⁸⁹ Courts have also upheld assignments of service marks if they find there exists a continuity of management of the service by the assignee. In *Marshak v. Green*, for example, the defendant argued that the assignment of the service mark of a singing group, THE DRIFTERS, to the plaintiff was an invalid assignment in gross.²⁹⁰ Because the plaintiff was the manager of the group prior to the assignment and continued in that same capacity after the assignment, and since the court found that the singing of the group members in THE DRIFTERS signature style remained unchanged in the public eye, the goodwill of the previous service offered was clearly transferred to the plaintiff and no consumer confusion resulted.²⁹¹

There is no evidence that the *Cavazos* case fits into any of the above scenarios in which assignment to a third party would be acceptable. Because the services offered by the Mongol Nation in connection with the MONGOLS mark are, by their admission, used to support deviant societal

²⁸⁸ See *Money Store v. Harriscorp Finc., Inc.*, 689 F.2d 666, 678 (7th Cir.1982).

²⁸⁹ See, *e.g.*, *Visa U.S.A., Inc. v. Birmingham Trust Nat'l Bank*, 696 F.2d 1371 (Fed. Cir. 1982) (stating that a mark can be assigned from a supermarket chain to a credit card organization); *Glamorene Prods. Corp. v. Procter & Gamble Co.*, 538 F.2d 894 (C.C.P.A. 1976) (finding a valid assignment of the mark BOUNCE which was used on the assignor's dry-cleaning detergent, when it was subsequently used by the assignee on its own dry-cleaning detergent).

²⁹⁰ *Marshak v. Green*, 505 F.Supp. 1054, 1061 (S.D.N.Y. 1981).

²⁹¹ *Id.*

behavior and, in some cases, vehemently illegal acts, selling the mark to a third party who purports to use the mark for non-criminal motorcycle services will provide neither continuity of management nor quality and style of the types of services originally offered by the Mongol Nation. If another motorcycle club advertised itself to the public as MONGOLS, consumers would undoubtedly be confused into thinking that they were associating with the OMG identified in the original MONGOLS application in the PTO. Although, admittedly, not all of the services and members of the Mongol Nation are associated with illegal activities, the underlying ideology of the OMG is one that promotes independence from the law, a rebel mentality, and, at best, the condoning of illegal acts engaged in by several of its members. For these reasons, it is evident that MONGOLS, unlike MUSTANG RANCH, cannot be purged from its past illegal history simply by transferring it to a new owner who would use it for proper services.

3. *The Government is not the Proper Entity to Own and Manage the MONGOLS Mark.* The first determination to be made in the discussion regarding whether the government should retain ownership and management of the MONGOLS mark post-seizure is to ask whether the federal government may properly own and control trademarks at all. Despite the Lanham Act's statutory language in Sections 1051(b), 1063, and 1064 limiting registration of trademarks to "persons," federal government agencies have, in fact, registered trademarks and protested the registration of trademarks by others.²⁹² Whereas the Copyright Act specifically states that copyright protection is not available for any work of the United States Government,²⁹³ no provision of U.S. law prohibits government entities from owning and registering trademarks or from suing to enforce those trademark rights.²⁹⁴

Although it is true, in theory, that a trademark is freely transferable and assignable to the government much in the same way a real or tangible

²⁹² Preferred Risk Mut. Ins. Co. v. United States, 86 F.3d 789, 795 (8th Cir. 1996). The court noted that several Trademark Trial & Appeals Board decisions have held that state and federal government entities were juristic persons for the purposes of registering trademarks. See, e.g., N.Y. State Office of Parks & Recreation v. Atlas Souvenir & Gift Co., 207 U.S.P.Q. 954, 958 (T.T.A.B. 1980); FBI v. Societe: "M. Bril & Co.", 172 U.S.P.Q. 310, 313 (T.T.A.B. 1971); and *In re Dep't of Interior*, 142 U.S.P.Q. 506 (T.T.A.B. 1964)(BNA).

²⁹³ See 17 U.S.C. § 105 (2004).

²⁹⁴ Sharon K. Sandeen, *Preserving the Public Trust in State-Owned Intellectual Property: A Recommendation for Legislative Action*, 32 McGEORGE L. REV. 385, 391 (1999) (urging states to adopt more comprehensive policies to protect and exploit the intellectual property assets they own, including trademarks).

right in property is,²⁹⁵ upon assignment a trademark cannot be as easily divorced of its ownership interests from a previous entity as its real and tangible property counterparts are. In effect, this means that the government itself would have to become involved in offering the services of a motorcycle association and licensing and merchandising of the MONGOLS mark in substantially the same way as the Mongol Nation conducted such programs in the past.²⁹⁶ This result would be inconsistent with existing trademark law because trademarks are associated with the goodwill of the entity providing the services, and in the case of the MONGOLS mark, the government certainly is not equipped to provide these types of goods and services itself, thus preventing it from having the authority under the Lanham Act to police the mark from potentially infringing parties.²⁹⁷

VII. A TWO-PART SOLUTION: JUDICIAL TAILORING OF RICO INJUNCTIONS AND AN AMENDMENT TO SECTION 2 OF THE LANHAM ACT

This Article has shown that seizing trademarks from enterprises whose members have been convicted of racketeering under RICO currently presents more problems than solutions to the underlying objectives of the Act, specifically, to deter illegal activity, punish the offenders, and protect consumers. The problems stem mainly from the fact that injunctions that are drafted too broadly, like the one issued in the *Cavazos* case, can lead to a chilling of free speech that is antithetical to the First Amendment, and also because the Lanham Act is silent regarding the treatment of such marks post seizure. The following sections will propose two solutions to these problems: (a) judicial restraint and tailoring of injunctions issued pursuant to Section 1963(a)-(b) of RICO regarding trademarks as seized assets; and (b) amending Section 2 of the Lanham Act in order to assist prosecutors and judges in revoking federal trademark rights from the errant entities who own them.

²⁹⁵ See *ICEE Distribs., Inc. v. J&J Snack Foods Corp.*, 325 F.3d 586, 593 n.22 (5th Cir. 2003) (holding that a trademark assignment is a complete transfer of ownership in which the trademark assignor gives up all its rights to the mark that are subsequently acquired by the assignee, who then stands in the shoes of the assignee).

²⁹⁶ Sandeen, *supra* note 294, at 403 ("The ownership, protection and exploitation of trademark rights by a [government entity] presents different issues than the ownership, protection and exploitation of patent, trade secrets and copyrights because such rights only exist in conjunction with the sale of goods or services.").

²⁹⁷ See Anjali Kapur, *Government-Unique Marks: From Star Wars to Joint Strike Fighters*, 32 PUB. CONT. L.J. 141, 152 (2002).

A. *Narrow Tailoring of Injunctions Authorizing Seizure of Trademarks From RICO Enterprises to Ensure Free Speech Rights of Consumers*

The first, and easiest, solution to the problem of proper seizure of intellectual property pursuant to a RICO violation is for prosecutors and judges to understand more fully the dual nature of trademark rights by adequately considering the rights of parties not named in, or at all involved in, the offending behavior. The general public, who have purchased trademarked items well before acts associated with the owner have been adjudged as racketeering offenses and are using those items for identity, association, and other expressions protected by the First Amendment, have rights that should be protected. Such rights of the individual exist regardless of whether the vehicle by which they express those rights is the subject of a regular trademark registration or a collective mark registration.

In denying the second count of the original order proposed by the government in *Cavazos* that Mongol members and everyone in association with them be entirely enjoined from all use and display of the MONGOLS mark, the Honorable Florence-Marie Cooper exercised proper judicial restraint in striking a government measure that would go far and beyond the purpose of forfeiture law and reach into an area of protected First Amendment activities. She should have not stopped there. Arguably, the second count of the order mandating seizure of trademarked items from any “subject” should also have been stricken in its entirety, or at least amended to state that such seizure of MONGOLS items could only be used against the particular named defendants in *Cavazos* who have been indicted and found guilty of the racketeering acts that mandate such seizure. With the order drafted as is, it is evident that innocent persons will be harassed and stripped of their rights to lawfully purchased items and free speech and association.²⁹⁸ In the event that the defendants appeal the Amended Order in *Cavazos*, the court should apply its reasoning in *Rivera* and strike the third part of that order mandating third-party seizure of MONGOLS products.

B. *Amendment of Section 2 of the Lanham Act to Prohibit Registration of “Illegal Use” Marks*

Secondly, in order to promote consistency with injunctions issued to seize trademarks from offending enterprises under RICO, Section 2(a) of

²⁹⁸ Since “trademarks carry so much communicative freight,” restrictions on their use “can implicate society’s interest in free and open communication.” See Goldsmith, *supra* note 240, at 845.

the Lanham Act should be amended to make it clear that such marks are subsequently removed from the Federal Register in the PTO. Such an amendment would fit within the goals of the Lanham Act because it promotes disassociation of the government with marks that are used to further the illegal services offered to the public by OMGs and other businesses, as well as making an affirmative statement that the government will not provide the special benefits offered to registered marks in the PTO to marks of murder and mayhem, particularly to tax paying, law abiding citizens whose friends and family members may have been victims of motorcycle club crimes.

While it is clear that intellectual assets can be seized under RICO, the Lanham Act has no similar provision providing for the divestiture of trademark rights from racketeering owners. Regardless, marks that consist of immoral and scandalous material are barred from registration and courts have found plausible purposes for such restrictions, including “an allocation of funds, a means of avoiding the appearance of granting governmental approval of a distasteful mark, and protecting the welfare and morals of society.”²⁹⁹ The legislative purpose of the prohibitions contained in Section 2(a) is unclear and the law interpreting it is fraught with problems, including vagueness, arbitrary enforcement, and constitutional implications.³⁰⁰ Although there have historically been problems, issues, and inconsistencies in cases adjudging whether particular marks fall within the category of “immoral” and/or “scandalous,”³⁰¹ it would be difficult to argue that the owner of a mark used overtly in connection with promoting illegal acts should be denied the special protections afforded by registration in the PTO because the regulation of government property such as the Principal Register is subject to a different framework of rules than purely private speech and, thus, the government should be able to control access to its property in order to preserve its purposes.³⁰²

The rights of individuals not involved in the illegal affairs of

²⁹⁹ Ron Phillips, *A Case for Scandal and Immortality: Proposing Thin Protection of Controversial Trademarks*, 17 U. BALT. INTELL. PROP. L.J. 55, 68 (2008).

³⁰⁰ *Id.* at 55-58 (noting that Congress did not define the terms “scandalous” or “immoral” within the Lanham Act, nor is there much on the legislative record to explain the purpose of Act’s prohibition of these types of marks).

³⁰¹ Compare *Ex parte Martha Maid Mfg. Co.*, 37 U.S.P.Q. 156 (Comm’r Pat. 1938) (holding QUEEN MARY unregistrable for women’s undergarments because it was politically scandalous to the former Queen of England), with *In re Old Glory Condom Corp.*, 26 U.S.P.Q. 1216, 1217-20 (TTABT.T.A.B. 1993) (holding stylized image of a condom decorated with stars and stripes registrable on appeal despite the examiner’s argument during the registration process that “the [American] flag is a sacrosanct symbol whose association with condoms would necessarily give offense.”).

³⁰² Voskanyan, *supra* note 112, at 1311.

rackeering enterprises would also be protected by this additional prohibition since, if the PTO refuses to register a mark pursuant to one of the proscriptions of Section 2(a), it is clear that such a refusal does not affect the applicant's right to use it.³⁰³ Section 2(a) does not proscribe actual conduct and no tangible form of expression is suppressed by its terms.³⁰⁴ Instead, it amounts to a selective denial of a government benefit to a particular means of communication, affecting the commercial value of the speech, but not the expression of the speech itself.³⁰⁵

In accordance with the stated principles of the Lanham Act, as well as those of RICO, Section 2(a) of the Lanham Act should be amended to include the following language:

No trademark . . . shall be refused registration on the principal register on account of its nature unless it—

(a) *Has been adjudged by a court of law to have been directly or indirectly used by the applicant in connection with any illegal act; or* [c]onsists of or comprises immoral, deceptive, or scandalous matter.

In addition to the public forum objectives outlined above, the government's action in canceling a mark after a RICO-related indictment pursuant to this new language would also be justified by applying an equity-based approach to the doctrine of misuse. This doctrine recognizes that certain types of inequitable conduct engaged in by a trademark owner, like violation of federal antitrust law, can support a petition for cancellation of the mark in the PTO.³⁰⁶ Although American courts have only recently recognized the misuse doctrine, which rests on the theory of unclean hands and the old maxim that "he who seeks equity must do equity," and have applied it sparingly to intellectual property cases,³⁰⁷ some scholars believe that modern trademark law should revamp the doctrine in order to integrate fairness to users of trademarks and society in general.³⁰⁸ If a trademark holder has incorrectly asserted rights in the mark with an improper purpose, such as using the mark in connection with illegal racketeering services, the court can invoke the equitable doctrine of trademark misuse in crafting an injunction to remove the owner's right to enforce its trademark against others unless and until it finds that the misuse is purged.³⁰⁹

³⁰³ Lefstin, *supra* note 203, at 676.

³⁰⁴ *Id.*

³⁰⁵ *Id.* at 677.

³⁰⁶ Gerald, *supra* note 98, at 252.

³⁰⁷ *Id.* at 237.

³⁰⁸ William E. Ridgway, *Revitalizing the Doctrine of Trademark Misuse*, 21 BERKELEY TECH. L.J. 1547, 1564 (2006).

³⁰⁹ *Id.* at 1550.

While, admittedly, the procedure of removal of rights from various federal protections afforded by the Lanham Act has less teeth than prosecutors applying RICO to the activities of racketeering entities would like, it nonetheless strikes a proper balance between the policy behind criminal penalties and free speech rights of innocent purchasers of legally purchased, albeit criminally tainted, trademarked products. Such a compromise also comports with the well-settled consumer protection model of trademark law, which recognizes that its central concern with protecting consumers has allowed trademarks to promote both market efficiency and consumer welfare simultaneously.³¹⁰

VIII. CONCLUSION

The district court's 2008 Amended Order in *Cavazos* mandating Mongols' members and their families and anyone acting in concert with them to forfeit to the government for seizure any property they rightfully purchased and own that displays the MONGOLS trademark caused a shakeup in the legal community which eventually led to a 2009 ruling by that same court after it was challenged to apply its previous order to an individual member of the Mongols in the *Rivera* case. While the *Rivera* court correctly ruled on the First Amendment implications of its order in *Cavazos*, it did not address some of the bigger picture issues which will continue to affect the defendants in *Cavazos* as well as non-defendants who have not been indicted under RICO, but who nonetheless have interests in the MONGOLS mark.

RICO is a broad-based law intended to give prosecutors and courts heightened authority that they would not have under state criminal laws in order to pursue the fruits of crime from racketeering enterprises. It is clear that the current structure of the Act that allows seizure of trademarks fails to take into adequate consideration the Lanham Act ramifications of such forfeiture, particularly those affecting the ability of the individual non-owner of the trademark to "signify" or express his or her identity and personality via public usage and display of the mark. Moreover, the purposes of the Lanham Act and RICO are not realized by such seizures, amounting to heightened consumer confusion and potential danger in the marketplace of OMG membership and association services, as well as an unwarranted government proscription on the free speech rights of Mongols members and even those of the general public.

³¹⁰ Leigh A. Hansmann, *Sex, Selling Power, and Salacious Commentary: Applying the Copyright Fair Use Doctrine in the Trademark Context*, 2008 MICH. ST. L. REV. 843, 857 (2008).

The goal of the government action against the Mongol Nation—to strip the OMG from its economic and identity rights in the trademark under which some of its members conduct a substantial portion of their illegal conduct—is understandable in light of the fact that trademark merchandising efforts can lead to a significant stream of revenue for OMGs to use in conjunction with continued illegal acts. A better solution, however, is for prosecutors and courts applying RICO seizure laws to OMGs to more narrowly tailor their forfeiture injunctions so that the free speech rights of any person who chooses to brandish OMG-marked merchandise, regardless of their motivation, are adequately protected. Additionally, Section 2 of the Lanham Act should be amended to provide for a non-registrable status of “illegal use” trademarks that OMGs have purposefully and openly used in connection with the criminal acts of some of their members so that the PTO specifically, and the U.S. government generally, is not at all associated with the perpetuation of crimes under these types of marks.